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PROCEEDINGS

OF THE

SIXTEENTH ANNUAL MEETING

OF THE

NATIONAL BOARD OF TRADE

HELD IN WASHINGTON

JANUARY 1886

BOSTON

TOLMAN & WHITE PRINTERS 383 WASHINGTON STREET

1886

“REMEMBER THAT STATISTICAL AND POLITICAL KNOWLEDGE ALONE DISTINGUISHES THE TRUE MERCHANT FROM THE MERE TRADESMAN, AND GUIDES HIM IN HIS UNDERTAKINGS. * * * A MERCHANT FAMILIAR WITH THE PRODUCTS OF A COUNTRY, ITS RESOURCES, ITS COMMERCIAL AND POLITICAL RELATIONS WITH OTHER COUNTRIES, IS MUCH LESS LIKELY TO ENTER INTO SPECULATIONS BASED ON FALSE IDEAS, AND THEREFORE OF DOUBTFUL ISSUE.”

LOUIS AGASSIZ. (1827.)

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INTRODUCTORY NOTE.

THE Sixteenth Annual Meeting of the National Board of Trade, the proceedings at which are presented in these pages, may well be regarded as one of the most successful meetings in the history of the Board. The attendance was large, for a representative body; the debates were spirited and thorough, and the interest of the delegates in the Board itself, and their confidence in its adaptation to the special work for which it was organized, were seen to be unabated. Several who took part in the proceedings had been present in many previous meetings, and the venerable President was in his place, as he had been at every meeting since his first election to the office in 1868.

The Board reaffirmed its action of former years, in favor of the suspension of the compulsory coinage of the standard silver dollar; of the enactment of "a just, economical and expeditious" National Bankrupt Law; of the creation of a Department of Commerce, with a cabinet minister at its head; of the negotiation of reciprocity treaties with the Dominion of Canada and the Republic of Mexico; and of the encouragement by appropriate legislation of American Shipping Interests.

Perhaps the most important debate at this meeting was that which related to Inter-state Commerce. The Hon. SHELBY M. CULLOM, of Illinois, had just introduced into the Senate of the United States, in behalf of the Select Committee on Inter-state Railroad Transportation, a Bill, No. 1093, supported by an elaborate and comprehensive report, which naturally awakened a good deal of interest among the delegates. The Bill was referred to a Committee, which examined its provisions carefully, and presented a report heartily approving the measure as a whole, but proposing two or three amendments. A discussion followed, which was immediately printed and circulated in pamphlet form, and the views of the Board were communicated to Mr. Senator CULLOM, and to other influential members of Congress. The result was a modification of the Bill in certain particulars. To quote from a letter from Mr. W. J. POPE, of Chicago, Chairman of the Committee of the Board, to one of the newspapers: "The Senate Committee has followed the wish of the National Board of Trade, to the extent of eliminating from the Bill all reference to transportation wholly by water, with some modification of the

clause relating to long and short hauls by rail. This is a quick and important recognition of the influence of the National Board of Trade."

The Hon. JOHN F. MILLER, of San Francisco, a member of the Executive Council, was ill at the time of the meeting, and has since died. He distinguished himself in the service of his country through the period of the Civil War; was afterward Collector of the Port of San Francisco; and, in 1881, took his seat as a Senator of the United States from California. His duties in Congress prevented him from taking a prominent part in the meetings of the Board and of the Executive Council, but he always manifested an interest in our proceedings, and a readiness to make them effective as he had opportunity.

H. A. H.

Boston, March 22, 1886

CONSTITUTION

OF THE

NATIONAL BOARD OF TRADE,

ADOPTED AT PHILADELPHIA, JUNE 5, 1868,

AND AS SINCE AMENDED.

DECLARATION.

In order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce, and other chartered bodies, organized for general commercial purposes, in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs and laws; and especially, in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this Association, on this 5th day of June, 1868, is hereby formed by delegates, now in session in the city of Philadelphia, representing the following-named commercial organizations, to wit:

Albany Board of Trade,
Baltimore Board of Trade,
Boston Board of Trade,
Boston Corn Exchange,
Buffalo Board of Trade,
Charleston Board of Trade,
Chicago Board of Trade,
Cincinnati Chamber of Commerce,
Cleveland Board of Trade,
Denver Board of Trade,
Detroit Board of Trade,
Dubuque Produce Exchange,
Louisville Board of Trade,
Milwaukee Chamber of Commerce,
Newark Board of Trade,
New Orleans Chamber of Commerce,

New York Chamber of Commerce,
New York Produce Exchange,
Oswego Board of Trade,
Peoria Merchants' Exchange,
Philadelphia Board of Trade,
Philadelphia Commercial Exchange,
Pittsburgh Board of Trade,
Portland Board of Trade,
Providence Board of Trade,
Richmond Chamber of Commerce,
St. Louis Board of Trade,
St. Louis Union Merchants' Exch'ge,
St. Paul Chamber of Commerce,
Toledo Board of Trade,
Troy Board of Trade,
Wilmington (Del.) Board of Trade,

And the following Constitution is adopted:

ARTICLE I.

SECTION 1. This Association shall be designated the NATIONAL BOARD OF TRADE.

ARTICLE II.

SECTION 1. Every local Board of Trade, Chamber of Commerce, or other body organized for general commercial, and not for special or private purposes, and duly chartered under State or National laws, shall be entitled to membership in this Association, on the approval of two-thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation: Each such Association having fifty members, who have the right to vote therein, shall be entitled to one delegate; having one hundred members, two delegates; having three hundred members, three delegates; and for each additional two hundred members above three hundred, one additional delegate.

SEC. 2. Delegates, who shall, in all cases, be active members of not less than one year's standing of the respective bodies which they represent, shall be selected by the local organization in such manner and for such term of not less than one year, as each may see fit. At each meeting of the Board they shall present credentials under seal from the Secretaries of their respective constituencies; these credentials shall certify the number of members authorized to vote, then connected with the body which is claiming representation, and which may present or may have a copy of its charter on file in this Board.

SEC. 2. Any local Board organized in any State where special charters cannot be had, shall be deemed to comply with the provisions of this article by filing with this Board a copy of its Articles of Association under State law, and of its Constitution and By-laws.

ARTICLE III.

SECTION 1. On all questions before the Board, on which a vote is taken *viva voce*, or by division, each delegate present shall be entitled to one vote in person. In all voting by yeas and nays, the delegates of a constituent body who are present, shall have the right to cast as many votes as the number of delegates which the body they represent is entitled to send to the meeting, according to its officially reported membership; all yea and nay votes shall be fully recorded in the proceedings of the Board. A call for the yeas and nays may be ordered only on questions involving action by the Board on propositions of a public character, or on such as relate to amendments to the Constitution or to the By-laws of the Board, and only on the demand of a delegate supported by one-third of the constituent bodies represented in the meeting; each constituent body on this question being entitled to but one vote, which shall be recorded. All votes for elective officers shall be by ballot; each delegation present shall be entitled to one ballot, and upon this shall be stated the name of the constituent body by which it is cast, with the number of votes to which it is entitled, and the number of votes or fractions of a vote given for each candidate voted for, all of which shall be counted in making up the result.

ARTICLE IV.

SECTION 1. The administration of the affairs of this Board shall be vested in a President and one Vice-President from each constituent body represented, who shall be elected at the annual meeting by ballot on a majority of all the votes cast, and who shall serve until their successors are chosen. Their election shall be the first business in order. They shall be constituted and known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence or disability of the President, a Vice-President, to be designated by his associates, shall serve.

SEC. 2. It shall be the duty of the Executive Council, immediately after their election, to select a Secretary and a Treasurer (neither of whom shall be of their own number), who shall hold office for such time, and who shall receive such compensation as the Council shall determine.

SEC. 3. The offices of the Secretary and Treasurer may be located at such places as the Council shall determine.

SEC. 4. Special meetings of the Council shall be held on the call of seven members thereof, at such place as they may designate, on twenty days' notice to be given by the Secretary, which call shall state the object of the meeting.

SEC. 5. In case of the removal, resignation, or death of any member of the Council, his place for the unexpired term shall be promptly filled by the constituent association of which he was a member.

ARTICLE V.

SECTION 1. It shall be the duty of the Executive Council: 1st. To provide for full and accurate records of the proceedings of the Board and of its own meetings. 2nd. To submit to each meeting a report of the doings of the Board and of its own official acts, as well as a statement of what new or unfinished business may require attention. 3rd. To make full statement, concerning the finances of the Board, to the regular meetings, and to other meetings, when called upon to do so. 4th. To apportion to each constituent body its assessment for the expenses of the Board, as provided elsewhere. 5th. To make such recommendations as it may deem to be necessary for the welfare, and to promote the objects, of the Board.

SEC. 2. The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

SEC. 3. The Treasurer shall give such security as the Executive Council may require, receive and account for all moneys belonging to the Board, and collect assessments and fines; but he shall pay out money and dispose of the property of the Board only on a warrant of the Secretary, countersigned by the President.

ARTICLE VI.

SECTION 1. Meetings of the National Board of Trade shall be held in the city of Washington at such times as shall be determined by the Executive Council.

SEC. 2. Special meetings may be held on the call of eight members of the Executive Council, at such place as they may designate.

SEC. 3. The attendance of forty delegates shall constitute a quorum; *Provided*, That if a majority of the delegates accredited to and in attendance at any meeting shall be in number less than forty, such majority shall constitute a quorum.

SEC. 4. Notice of meetings of the Board shall be served by the Secretary on each constituent body at least thirty days before the time appointed for assembling. The notice shall state the objects of the meetings, and the questions to be considered.

SEC. 5. A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board, and at such other times as may be provided in its By-laws.

ARTICLE VII.

SECTION 1. The expenses of the Board shall be provided for by an assessment, to be made by the Executive Council, on each constituent body in proportion to the number of delegates which it is entitled to send to the meetings of the Board.

ARTICLE VIII.

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board, or by the Executive Council; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper to be placed in the hands of the Secretary at least forty days previous to the annual or special meeting at which it is to be considered; *Provided, however*, That any subject not thus submitted may be considered and acted upon by a vote of two-thirds of the delegates present.

ARTICLE IX.

SECTION 1. Any constituent body charged with a violation of the laws of this Board may, after a formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the year current.

SEC. 2. Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at any meeting of the Board or of the Executive Council, and on full payment of all dues.

SEC. 3. In case any constituent body shall fail to be represented at two successive meetings of the Board, and also fail to pay its assessment for two years, it shall cease to be considered in membership.

ARTICLE X.

SECTION 1. This Constitution may be amended at any meeting, on a vote of two-thirds of the delegates present; notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least forty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least thirty days before said meeting.

ARTICLE XI.

SECTION 1. The provisions of this Constitution may be temporarily suspended, except as to a quorum, at any meeting of the Board, by unanimous consent of the delegates present and voting.

BY-LAWS.

I. The following shall be the order of business at the meetings of the Board :

- 1st. The call of the roll.
- 2nd. The reading of the Reports of the Executive Council and the Treasurer.
- 3rd. The election of officers.
- 4th. The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.
- 5th. The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.
- 6th. The consideration of any subjects proposed in the Report of the Executive Council, or in the hands of Committees appointed at a previous meeting.
- 7th. The consideration of the subjects on the Official Programme, in the order in which they are there placed, unless otherwise recommended by the Executive Council.

II. At each election, before the balloting for President, it shall be competent for delegates to make nominations for that office ; and, before balloting for Vice-Presidents, each delegation present shall be called upon to make a nomination, and the [fourteen] persons whose names shall stand highest upon the ballot, provided that they have received a majority of all the votes cast, shall be declared to have been elected.

III. At the meetings of the Board no delegate shall speak more than ten minutes on one question, without the leave of the Board, nor more than twenty minutes without unanimous consent.

IV. A two-thirds vote shall be necessary to carry the approval of the Board upon any proposition which may appear, or which may be placed upon the Official Programme.

V. The rules of the House of Representatives of the United States shall govern the deliberations of the Board, so far as they may be applicable and in harmony with the Constitution and By-Laws.

VI. The annual assessment laid by the Executive Council shall be due and payable by each constituent body within thirty days after it shall have been officially notified of such assessment. No delegate shall be entitled to

a seat, at any meeting of the Board, unless the constituent body to which he belongs shall have paid the assessment for the preceding year; and any constituent body participating in the proceedings of any meeting shall be held liable for the assessment of the current official year.

VII. The term of service, of not less than one year, for which delegates are elected, shall commence with the date of the meeting of the Board next ensuing after their election.

VIII. These By-Laws may be amended, at any meeting of the Board, on a two-thirds vote.

MEMBERSHIP, 1886.

BALTIMORE BOARD OF TRADE.

BALTIMORE CORN AND FLOUR EXCHANGE.

BOSTON MERCHANTS' ASSOCIATION.

BRIDGEPORT BOARD OF TRADE.

CHICAGO BOARD OF TRADE.

CINCINNATI CHAMBER OF COMMERCE.

DETROIT BOARD OF TRADE.

INDIANAPOLIS BOARD OF TRADE.

MILWAUKEE CHAMBER OF COMMERCE.

MILWAUKEE MERCHANTS' ASSOCIATION.

MINNEAPOLIS BOARD OF TRADE.

NEW HAVEN CHAMBER OF COMMERCE.

NEW YORK BOARD OF TRADE AND TRANSPORTATION.

NEW YORK CHAMBER OF COMMERCE.

PHILADELPHIA BOARD OF TRADE.

PORTLAND (ORE.) BOARD OF TRADE.

PROVIDENCE BOARD OF TRADE.

SAN FRANCISCO CHAMBER OF COMMERCE.

SCRANTON BOARD OF TRADE.

ST. PAUL CHAMBER OF COMMERCE.

TRENTON BOARD OF TRADE.

OFFICERS FOR 1886.

PRESIDENT.

FREDERICK FRALEY, *Philadelphia.*

VICE-PRESIDENTS.

SAMUEL P. THOMPSON, *Baltimore.*
WILLIAM S. YOUNG, *Baltimore.*
OSCAR H. SAMPSON, *Boston.*
ROWLAND B. LACEY, *Bridgeport.*
GEORGE M. HOW, *Chicago.*
S. F. COVINGTON, *Cincinnati.*
PHILO PARSONS, *Detroit.*
ALLEN M. FLETCHER, *Indianapolis.*
E. P. BACON, *Milwaukee.*
H. H. CAMP, *Milwaukee.*
C. M. LORING, *Minneapolis.*
N. D. SPERRY, *New Haven.*
AMBROSE SNOW, *New York.*
J. S. T. STRANAHAN, *New York.*
B. S. JANNEY, JR., *Philadelphia.*
JOSEPH N. DOLPH, *Portland, Ore.*
JOHN F. MILLER,* *San Francisco.*
P. H. KELLY, *St. Paul.*
JAMES BUCHANAN, *Trenton.*

SECRETARY and TREASURER.

HAMILTON ANDREWS HILL, *Boston.*

* Died March 8, 1886.

SIXTEENTH ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE.

The Sixteenth Annual Meeting of the National Board of Trade was held at Willard's Hotel, in the city of Washington, D. C., on Wednesday, Thursday and Friday, the 20th, 21st and 22nd of January, 1886.

FIRST DAY.

WEDNESDAY, JANUARY 20, 1886.

The Board was called to order at 12.10 P. M., by the President, Mr. **FREDERICK FRALEY**, of Philadelphia.

The roll was called by the Secretary, Mr. **HAMILTON A. HILL**, of Boston. As subsequently perfected, the list of delegates accredited to the meeting was as follows :

Baltimore Board of Trade.

| | |
|---------------------|--------------|
| Samuel P. Thompson, | Frank Frick, |
| J. Frank Supplee. | |

Baltimore Corn and Flour Exchange.

| | |
|------------------|----------------|
| E. M. Schryver, | Wm. S. Young, |
| Geo. H. Baer, | P. H. Macgill, |
| J. I. Middleton. | |

Boston Merchants' Association.

| | |
|-------------------|------------------|
| Oscar H. Sampson, | Joseph W. Woods. |
|-------------------|------------------|

NATIONAL BOARD OF TRADE.

Bridgeport Board of Trade.

Rowland B. Lacey, E. W. Seymour.

Chicago Board of Trade.

Geo. M. How, J. C. Dore,
 E. Nelson Blake, R. W. Dunham,
 Wm. J. Pope, Geo. F. Stone,
 J. C. Hateley, John H. Clough,
 Murry Nelson, C. M. Henderson,
 W. C. D. Grannis.

Cincinnati Chamber of Commerce.

S. F. Covington, W. H. Doane,
 John A. Gano, Levi C. Goodale,
 Theodore Cook, J. Walter Freiberg,
 Lowe Emerson, Wm. V. Ebersole,
 E. V. Cherry, Chas. B. Murray,
 John A. Townley.

Detroit Board of Trade.

Philo Parsons, Jas. W. Flynn.

Indianapolis Board of Trade.

Allen M. Fletcher, Arthur Jordan,
 J. F. Pratt, D. M. Braibury,
 Cortland Van Camp.

Milwaukee Chamber of Commerce.

Angus Smith, E. P. Bacon,
 W. P. McLaren, Edw. D. Holton.

Milwaukee Merchants' Association.

H. H. Camp, Chas. L. Colby.

Minneapolis Board of Trade.

C. M. Loring, J. B. Gilfillan.

New Haven Chamber of Commerce.

N. D. Sperry, Chas. H. Townshend.

New York Chamber of Commerce.

J. S. T. Stranahan,* Wm. H. Lyon,
 Frederick A. Conkling, Clinton B. Fisk,
 A. Foster Higgins.

* At the later sessions Mr. JOHN E. SEARLES sat as a delegate, in the absence of Mr. STRANAHAN.

New York Board of Trade and Transportation.

| | |
|----------------|-----------------|
| Ambrose Snow, | John F. Henry, |
| A. B. Miller, | G. Waldo Smith, |
| F. B. Thurber, | Morris S. Wise. |

Philadelphia Board of Trade.

| | |
|--------------------|-------------------|
| Frederick Fraley, | Joseph Patterson, |
| B. S. Janney, Jr., | Henry Davis, |
| Andrew Wheeler. | |

Portland (Ore.) Board of Trade.

| | |
|-------------------|------------------|
| Henry W. Corbett, | Joseph N. Dolph. |
|-------------------|------------------|

San Francisco Chamber of Commerce.

| | |
|-----------------|----------------|
| John F. Miller, | Wm. W. Morrow. |
|-----------------|----------------|

St. Paul Chamber of Commerce.

| | |
|---------------|-------------------|
| P. H. Kelley, | Russell Blakeley. |
|---------------|-------------------|

Trenton Board of Trade.

James Buchanan.

The PRESIDENT: There appears to be a quorum present. The next business in order will be the reading of the annual report of the Executive Council.

The SECRETARY then read as follows:

SIXTEENTH ANNUAL REPORT.

As required by the Constitution, the Executive Council begs to submit its annual report.

The Council has met once during the year, — at Chicago, on the 28th and 29th of April, when it considered the questions which were referred to it at the last annual meeting, and discussed methods for making the work of the Board more effective year by year. The members were enabled also to avail themselves of the courteous invitation they had received from the Chicago Board of Trade to be present at the meetings and festivities which took place in connection with the opening of its new building for business purposes, — one of the most complete and magnificent commercial structures in the world.

At the meeting in January last, the Council was requested to take into consideration the system recently adopted in France for

the encouragement of French shipping interests, and any other method, and to report with the results arrived at, at the present meeting. The subject was referred to a sub-committee, and it was hoped that a meeting would be held in the autumn, for the preparation of a response to the request of the Board for information and recommendations, but circumstances did not permit. The Council, however, without comment of its own, will endeavor to lay before the Board the provisions of existing French law, relating to the construction and employment of ocean tonnage, and this will prepare the way for the discussion of American shipping interests, which will come up in course when the programme for the present meeting is taken up.

The two articles of the law of January 29, 1881, *La Loi sur la Marine Marchande*, which particularly interest us, are the fourth and the ninth; they are in substance, as follows:

ART. IV. In order to compensate shipbuilders for the charges imposed upon them by the customs tariff, the following allowances are made them: On iron or steel ships, sixty francs per ton gross measurement; on wooden ships of two hundred tons or more, ten francs per ton gross measurement; on wooden ships of less than two hundred tons, ten francs per ton gross measurement; on composite ships, forty francs per ton gross measurement; on the motoric engines and on the auxiliary apparatus, such as steam pumps, serve *moteurs*, winches worked mechanically, as well as the boilers which feed them, with the piping or tubing, twelve francs per hundred kilograms. Are considered as composite ships those made of wood outside, but having beams or ribs of iron or steel.

ART. IX. As a compensation for the charges imposed on the merchant navy for recruiting for and service in the military navy, a navigation bounty is granted for a period of ten years from the date of publication of the present law to French vessels, steam or sail. This bounty applies exclusively to foreign-going vessels. It is fixed at one franc, fifty centimes for each ton net measurement, and for each thousand miles run, for French-built vessels fresh off the stocks, and decreases annually by 0.075 centimes for wooden vessels; 0.075 for composite vessels; 0.05 centimes for iron or steel vessels. Only half this bounty is granted to foreign-built vessels. Vessels obtaining their registry as French before the publication of the present law are assimilated to French-built vessels as regards the bounty.

The French system is thus explained by the Hon. JARVIS PATTEN, Commissioner of Navigation, in his valuable Report of November, 1884:

The ship-building bounty in the case of a steamer built in France amounts

of the country for the last fifteen years, constitute in the aggregate an amount sufficient, it is thought, to place the American sailing ship on an equality to seventeen and one-half per cent. of her total cost price. Supposing the steamer cost \$250,000 the bounty earned will amount to about \$44,000.

In case of a change of engine or boilers, provided the new ones are of French make, the shipowner is entitled to a compensation bounty of sixteen dollars per ton of new engines or boilers, weighed without the tubes. Thus, supposing a change of boilers, the new ones without tubing, weighing one hundred tons, the shipowner will receive \$1,600.

On an iron or steel sailing ship of, say, fifteen hundred tons gross measurement, the bounty would amount to \$18,000, at the rate of twelve dollars per ton gross measurement.

On a wooden ship of, say, one thousand tons gross, the bounty would be \$4,000, at the rate of four dollars per ton gross.

On a composite vessel of, say, one thousand tons gross, the bounty would be \$8,000, or eight dollars per ton gross measurement.

Article VII of that law suppresses the importation free of duty of all materials destined for shipbuilding, which privilege had been instituted by the first article of the law of 19th May, 1866. Consequently, shipbuilders have now to pay full duties on all materials they import. But Article IV of the new law says: As a compensation for the tax that the customs tariff imposes on builders of ships, they will be allowed the following bounties, etc.:

* * * * *

Article LX provides a compensation for the burden laid upon the merchant navy by the recruiting of sailors for the military navy by a premium of navigation allowed to French steam and sailing ships for a period of ten years from the promulgation of the present law. This bounty only applies to long-voyage navigation.

The bounty on ships built abroad is only one-half of that above stipulated. The ships made French before the promulgation of this law are treated in the same way as ships built in France. The bounty is increased fifteen per cent. for steamers built on plans approved beforehand by the marine and navy department. The number of miles is calculated by the distance between the starting point and the point of arrival, measured by a direct maritime line. In case of war the merchant ships can be requisitioned by the Government. The exceptions for the bounty are, ships employed in the great and small fisheries, subsidized lines, and pleasure navigation craft.

It is satisfactory to read the following, from the Commissioner of Navigation, as his judgment upon the working of the shipping Act of June 26, 1884, toward the passage of which this Board gave its influence and effort:

The credit of passing the first great measure of relief, with a view to the restoration of American shipping, is due to the Forty-eighth Congress. The relief afforded by this Act (with the exception of section 17, which provides for a drawback on foreign materials used in building vessels,) applies chiefly to the sailing of ships and the removal of burdens incurred in navigation. These different measures, which had been loudly called for by the shipowners

with the vessels of other flags in so far as the expenses of navigation are concerned.

The question of reciprocal trade between the United States and neighboring countries was referred to the Council, but as the conditions surrounding the subject had changed since last winter, no attempt was made to present specific recommendations to the Board, but its continuance on the programme was provided for. At the instance of some of the constituent bodies, the whole subject of our commercial relations with Canada and other adjacent countries, will come up again for discussion at our present meeting.

There are certain questions on which the Board has passed so frequently, and with so near an approach to unanimity, that it may be said to have created a platform for itself, so far as these are concerned. Among them we may mention :

The establishment of a Department of Commerce as a branch of the Executive Government.

The enactment of a National Bankrupt Law, such as passed the Senate last winter, and received the support of a majority of the members of the House of Representatives.

The establishment by the United States Government of a Postal Telegraph and Telephone.

Supervision by the General Government over Harbors where conflicting jurisdiction now exists, and the adoption of a National and uniform Pilotage System.

Legislation by Congress which will protect commercial travellers in the exercise of their rights under the Constitution and under the decision of the Supreme Court, as they pass from one State or Territory to another.

The appointment of a National Board of Railroad Commissioners, for the general supervision of the inter-state commerce of the country.

The suspension of the coinage of the standard silver dollar.*

* The question of the suspension of the coinage of silver dollars was brought before the Board at its meeting in December, 1879, when Mr. JOSEPH S. ROPES, of Boston, proposed a resolution that the further coinage of silver dollars should be discontinued until the surplus of the same in the Treasury were reduced, say, at least to ten millions of dollars; and that all silver dollars presented at the Treasury should be redeemed at par in gold coin. There was no time at that meeting for the consideration of the question; but, a year later, in December, 1880, the Board passed a resolution, respectfully but earnestly recommending "that the further compulsory coinage of the silver dollar be suspended, and that its coinage be left, as other coinage, to the Secretary of the Treasury or Director of the Mint, to depend upon the demand for it by the public for convenient circulation."

In the Declaration which precedes the Constitution of this Board, as adopted in Philadelphia, June 5, 1868, one of the objects of the organization is stated to be, "to secure unity and harmony of action, in reference to commercial usages, customs and laws," among the several States which constitute the Union. The broad question of uniform legislation in the States, in reference to conveyances of land, judgments, the collection of debts, forms of contracts and the manner or means of enforcing them, the organization and management of joint stock companies, etc., was fully considered at some of our earlier meetings, and circulars relating thereto were addressed to the local boards and chambers, and to the various State authorities. The question came up again at our last meeting, at the instance of a delegate from Cincinnati (Mr. JOHN A. GANO), who has given much thought to it for many years, and it was pointed out anew, how greatly the variations in the particulars named, embarrass the intercourse of the citizens of the different States with each other, adding materially to the cost of conducting business, and furnishing opportunities, in many instances, for corrupt men to perpetrate fraud with impunity.

This subject is respectfully referred to the commercial associations of the country for their careful consideration, and for such recommendations as they may decide to make.

The programme for the present meeting is an interesting and suggestive one. It may not contain much that is new; it may not include anything that is very startling; and, yet, it may call attention to much that is important. In these respects it may be taken as reflecting the present condition of affairs in our country. It has been well said: "Happy is that people whose annals are dull." That the vast and complex machinery of our social fabric,—including local and federal administration of government, local and inter-state industry and exchange, wide and free inter-communication among the multiplying millions of our population, and the activity of educational, philanthropic and religious institutions of every kind,—should work with so little friction, with such quiet regularity, with such adequate and unfailing energy, with so little manifestation but with such mighty reserve of power, should be the occasion of constant and devout gratitude, on the part of

every citizen of the republic, to Him who is the God and Father of all.

By vote and in behalf of the Council,

FREDERICK FRALEY, of Philadelphia,
President.

HAMILTON A. HILL, of Boston,
Secretary.

WASHINGTON, January 20, 1886.

The PRESIDENT: The next business in order is the reception of applications to the Board for membership.

Mr. How, of Chicago: I understand there is an association that desires to be admitted to membership, and I move that a Committee on Credentials be appointed, to consist of three delegates.

The motion was agreed to, and the PRESIDENT named as the Committee, Mr. How of Chicago, Mr. BACON of Milwaukee, and Mr. THOMPSON of Baltimore.

Subsequently, Mr. How said:

The Committee on Credentials begs leave to report that the Merchants' Association of Milwaukee has made application for membership; that your Committee on Credentials has examined the papers, and found them to be in accordance with the requirements of our Constitution; and that Mr. H. H. CAMP, and Mr. CHARLES L. COLBY have been appointed as delegates from that body. I therefore move that this association be admitted to membership, and that these gentlemen be received as accredited delegates.

The report of the Committee was accepted by the Board, and the Merchants' Association of Milwaukee was admitted to membership by unanimous vote.

The PRESIDENT: The next business in order is the election of President, and subsequently the election of Vice-Presidents. I will ask Mr. COVINGTON of Cincinnati to take the chair.

Mr. FRALEY retired, and Mr. COVINGTON of Cincinnati took the chair.

The PRESIDING OFFICER: As has already been announced, the business before you is the election of a President to serve the Board during the next year. Nominations are in order.

Mr. HENRY, of New York: Mr. Chairman, I think we cannot do better than to let well enough alone, and to re-elect as our President the Hon. FREDERICK FRALEY, of Philadelphia, and I therefore put him in nomination.

The motion was seconded, and nominations were then closed.

The PRESIDING OFFICER: The Chair will appoint as tellers, Mr. COOK of Cincinnati and Mr. McLAREN of Milwaukee.

The tellers reported that forty-five votes had been cast, all for FREDERICK FRALEY, as President of the National Board of Trade.

The PRESIDING OFFICER: The whole number of votes cast by the Board for President is forty-five, of which FREDERICK FRALEY has received forty-five votes (applause); he is therefore elected President of the National Board of Trade for the ensuing year. The Chair will appoint Mr. HOLTON of Milwaukee, Mr. CONKLING of New York, and Mr. POPE of Chicago, as a Committee to inform Mr. FRALEY of his election and to present him to the meeting.

The Committee at once retired, informed Mr. FRALEY of his election, and, returning with him to the room, conducted him to the chair.

Mr. HOLTON, of Milwaukee: Mr. Chairman and gentlemen, I have the honor and the pleasure of introducing to you the Hon. FREDERICK FRALEY, as our next President.

The PRESIDING OFFICER: I take great pleasure in announcing to the Board that Mr. FRALEY, who has served this Board as President since its organization in 1868, so well and so nobly, stands before you ready for another year's service. You know how well he has discharged the duties that have devolved upon him, and I know, as you all know, that the duties of President of this Board will be discharged as well in the future as they have been in the past; you can ask nothing more. (Applause.)

The PRESIDENT (on resuming the chair): Gentlemen, the retrospect of the years that have passed in the history of this Board brings to my mind friendships formed in the city of Boston in February, 1868, when it was determined that a National Board of Trade should be established. In this room, at the present time, I recognize several of the gentlemen who were then present and whose acquaintance and friendship I formed upon that occasion; and, as they and I have come together from year to year, the old associations have been strengthened; and, as new delegates have come to the Board, they also have become my dear and personal friends. I now stand before you again, honored, as I am told, with an unanimous vote for the Presidency of the Board for another year. You can imagine, but I cannot express, the feelings I have consequent upon this renewed testimony of your affection and respect.

I recognize here truly representative men of the commercial interests of the United States, and I appreciate their intelligence, their devotion to the public welfare, and their desire to incorporate into the National legislation everything that may advance trade, promote virtue and intelligence, and contribute to the glory and honor of our country.

We come together at this time under peculiar circumstances. We are not a political body, but we cannot but remember that the administration of the country, having continued in the hands of one of the great political parties of the country for over twenty years, has recently been changed; that a new President has been elected, and that the responsibilities of government have devolved upon him as the new executive, and upon the party which he represents. So far as he has given manifestations of his policy, they seem to be in harmony with the views which we have from time to time expressed here: that the civil service of the country should be placed upon the right foundations; that there should be a proper respect to the obligations of the government in the redemption of its public debt, both of interest and of principal; and that there should be a sound currency. So far, he has given evidence of a disposition to conduct with fidelity and honor the great trust which has been imposed upon him, and this is a favorable indication for the future of his administration. (Applause.)

On our programme are a number of important subjects, many of them now pending before committees of Congress. I hope that in

a prompt and intelligent way, we shall act upon them and be prepared, by appropriate committees of the Board, to present to the committees and sub-committees of Congress, the conclusions we may reach. We are entitled not only to a careful, but also a favorable hearing on the part of such committees, and we are entitled, also, in the great body of Congress itself, both in the Senate and in the House of Representatives, to a favorable consideration of what we may here decide upon; and I feel sure that the decisions of the Board upon public questions will be useful in guiding the deliberations and decisions of Congress.

I have been spared now during eighteen years to meet this Board at every session. My friends will recollect that at our last meeting I told them that I felt the weight and burden of years pressing upon me, and desired to be released from the office of President. Notwithstanding, they then, and you again have, determined that I should still continue in office. You have said that the old horse must remain in harness for a little longer. While I repeat my thanks for the honor which you have conferred upon me, I desire to say that I shall most heartily co-operate in carrying out the decisions of the Board, and shall devote all the personal attention I may be able to give to secure for them a hearing before Congress, where the responsibility ultimately rests for the government and care of the country. (Applause.)

The next business in order will be the election of Vice-Presidents. Nominations will be received from the respective constituent bodies here represented. The roll will be called by the SECRETARY, and nominations will be made accordingly. Under the amended Constitution, each constituent body is entitled to a Vice-President.

The SECRETARY called the list of constituent bodies represented, and the following nominations were made:

Baltimore Board of Trade, SAMUEL P. THOMPSON.
Baltimore Corn and Flour Exchange, WILLIAM S. YOUNG.
Bridgeport Board of Trade, EDWARD W. SEYMOUR.
Boston Merchants' Association, OSCAR H. SAMPSON.
Chicago Board of Trade, GEORGE M. HOW.
Cincinnati Chamber of Commerce, S. F. COVINGTON.
Detroit Board of Trade, PHILO PARSONS.
Indianapolis Board of Trade, ALLEN M. FLETCHER.

Milwaukee Chamber of Commerce, E. P. BACON.
Milwaukee Merchants' Association, H. H. CAMP.
Minneapolis Board of Trade, C. M. LORING.
New Haven Chamber of Commerce, N. D. SPERRY.
New York Chamber of Commerce, JAMES S. T. STRANAHAN.
New York Board of Trade and Transportation, AMBROSE SNOW.
Philadelphia Board of Trade, BENJAMIN S. JANNEY, Jr.
Portland (Ore.) Board of Trade, JOSEPH N. DOLPH.
San Francisco Chamber of Commerce, JOHN F. MILLER.
St. Paul Chamber of Commerce, P. H. KELLEY.
Trenton Board of Trade, JAMES BUCHANAN.

Mr. COOK, of Cincinnati: I move that the SECRETARY cast a ballot in behalf of the delegates present, for the nominations that have been made.

The motion was agreed to, the SECRETARY cast the vote of the Board, and the PRESIDENT announced the election of the gentlemen above named.

The SECRETARY: The Executive Council has asked the Board to put upon the programme for consideration at the proper time, a subject presented to them both by Mr. JOHN L. HAYES and by the Merchants' Association of Boston—the undervaluation of invoices on imported merchandise; and by the Cincinnati Chamber of Commerce, the subject of an uniform standard for determining quantities of grain.

By unanimous consent these subjects were placed at the foot of the programme.

Mr. GANO, of Cincinnati: As we are now to take up the regular programme, I would ask that Nos. XX and XXI, in relation to bankruptcy legislation, be now taken up, out of the regular order. My reason is, that at the suggestion of an organization in New York, the Cincinnati Chamber of Commerce was asked to appoint a committee to go before the Judiciary Committee of the House on that subject. It happens fortunately that an appointment has been made for a hearing at 10 o'clock tomorrow morning, and this subject being upon our programme, it can probably be disposed of promptly and in such a way as to provide for a committee to go before the committee at the time appointed. It

seems to me that the opportunity is one that should be embraced, so that our voice upon this question may have full weight upon that committee. I make a motion to that effect.

The motion was seconded by Mr. JANNEY of Philadelphia, and was agreed to.

Mr. JANNEY: I entirely agree, Mr. President, with what has been said, and now move the following:

Resolved, That subjects XX and XXI, alike relative to bankruptcy legislation, be considered as one, and that they be referred to a committee of five, to be appointed by the President, with directions to report at a subsequent hour of this day's session.

The motion to refer was agreed to.

The PRESIDENT named, as the committee called for under Mr. JANNEY's resolution, Mr. JANNEY of Philadelphia, Mr. GANO of Cincinnati, Mr. WOODS of Boston, Mr. WISE of New York, and Mr. SUPPLEE of Baltimore.

Mr. JANNEY, of Philadelphia: On the official programme of 1885, Article No. IV, from the New York Chamber of Commerce, relating to forms of Bills of Lading was finally disposed of by the passage of a resolution to the effect that the Board favored legislation extending to inland carriers the principles of the Bill H. R. 7,163. A committee was subsequently appointed to take the subject into consideration and to report to the Board. That subject was intended to be placed upon the programme for this year, but the committee only finished their labors on the 13th inst., too late to have it done. The Philadelphia Board of Trade have instructed their delegates to ask consideration of the Memorial of the National Committee on Uniform Bills of Lading, to the Senate and House of Representatives of the United States, with a proposed act relating to contracts of common carriers. This relates to inter-state commerce, and in that connection I offer the following resolution:

Resolved, That subjects I, II and III, on the official programme, relating to Inter-state Commerce, be considered as one; that they be referred to a committee of five, to be appointed by the President; and that to that committee be also referred the Memorial from the National Committee, who shall be directed to report at a subsequent meeting of this Board.

The resolution was agreed to, and the PRESIDENT announced as the Committee: Mr. POPE of Chicago, Mr. HIGGINS of New York, Mr. MURRAY of Cincinnati, Mr. PARSONS of Detroit, and Mr. BACON of Milwaukee.

Mr. How, of Chicago: There are present three gentlemen who represent the National Swine-breeders' Association of the United States, and as there may be some questions before us upon which they would like to be heard, I move that those gentlemen, Messrs. D. W. SMITH, F. D. CURTIS and L. M. BONHAM, be admitted to the privileges of the floor for debate, but without the privilege of voting.

The motion was agreed to, and it was so ordered.

Mr. PARSONS, of Detroit: I also ask the privilege of the floor for Mr. W. L. TRENHOLM, of Charleston, S. C., a man of the most pronounced views in favor of the suspension of silver coinage, and one who has done more in his own State than any other man to promote it.

The motion was agreed to.

The PRESIDENT: I am sure that we shall all rejoice in seeing with us again our friend Mr. TRENHOLM, and that the Board will take pleasure in listening to any remarks made by him, or by the other gentlemen admitted to the privileges of the floor on Mr. How's motion.

The SECRETARY read Proposition IV on the programme, from the Philadelphia Board of Trade, in relation to the ocean postal service, as follows:

Resolved, That it is expedient for the National Government to assume the full expenditure authorized by law for the carriage of the mails to foreign ports in American vessels, and Congress is urged to appropriate further a sum not greater than thirty cents per ton, gross register, for every thousand miles of actual voyage, as a subvention to American vessels of over one thousand tons, actually engaged in foreign commerce.

Mr. HENRY: I think the next proposition should be considered with it; it is from the New York Board of Trade and Transportation, and I am sure Mr. SNOW has something to say on the subject. I hope the two will be considered together.

The SECRETARY read Proposition V, on American Shipping Interests, from the New York Board of Trade and Transportation, as follows :

Resolved, That the National Board of Trade recognizes the necessity, if we desire to secure our share of the world's trade, of adopting the same methods pursued by our competitors to establish quick and frequent communication with foreign markets, and place our shipowners upon an equal footing with those of other countries.

Mr. HENRY's motion to consider Propositions IV and V together was agreed to.

The SECRETARY : The Hon. WM. W. MORROW of San Francisco appears and takes his seat as a delegate from the San Francisco Chamber of Commerce, in place of Mr. C. ADOLPHE LOW.

The Board took a recess from 1.30 to 2.30 P. M.

Mr. SNOW, of New York : Mr. President, the Maritime Exchange of New York prepared a paper in regard to the present deplorable condition of American Shipping Interests. That paper was referred to a committee of six gentlemen, three of whom were what we may call free-ship men, and three held views adverse to free shipping. That committee took the whole subject into consideration, as to what possible thing could be done to relieve shipping from its present deplorable condition, and they prepared a report that was finally adopted by the Maritime Association. The report is a short one, and after it was adopted it was sent to the various Boards of Trade throughout the country. There were twenty-one replies, and six of these were adverse to the plan suggested. But, inasmuch as there seemed to be a preponderance in favor of the report, a bill was drawn in accordance with it. That bill has been introduced into both the Senate and the House, and is now pending before the appropriate committees ; it was introduced by Senator FRYE, of Maine, in the Senate, and in the House by General NEGLEY, of Pennsylvania. I will read from the report :

Heroic treatment, promptly supplied, is evidently necessary to restore our ocean commerce. The decay of our mercantile marine is alarming, and threatens early extinction. In 1862, our registered tonnage was 2,291,251. In 1884, it had dwindled to 1,269,000. Our aggregate tonnage, foreign and domestic, in 1863, was 5,155,000 ; at the close of 1883, while the population

of the country had nearly doubled, and other interests had kept pace with it, our tonnage had decreased to 4,235,487.

To revive our foreign commerce, it is manifest that there must be united action on the part of all interested. Experts who have hitherto differed as to the means of effecting this revival are now agreed, not only as to the policy — there is but one alternative — the question is, a mercantile marine, or no mercantile marine.

It has become evident that without Government aid, our rapidly diminishing share of the carrying trade of the world will be utterly extinguished; but national safety forbids this. However remote may be the apprehension of war, it may come at any time, and to improvise a navy without seamen, ships, ship-yards, or the educated talent which builds, mans, equips and manages a mercantile marine, would be impossible. Even if it could be done, the cost to the nation would be enormous. It will be far better to maintain upon the sea a commercial fleet which will in time enrich the nation in peace and protect it in war.

France pays a liberal bounty; Germany and Italy are contemplating the same; England's policy brings her fifty-two per cent. of the world's carrying-trade, occupying all the best routes, from which she cannot be easily dislodged; while the United States totally neglects her shipping, notwithstanding she has protected successfully almost every other industry.

In this emergency, a committee of this Association, representing all shades of opinion, was appointed to review the whole subject, and to agree, if possible, on some measure of relief. After full and exhaustive consideration, they reported in favor of the French system of mileage; their report was submitted to a subsequent meeting and was unanimously approved.

The proposition is that thirty cents per ton be granted by the Government for every thousand miles sailed by vessels, sail or steam, built and owned in the United States and engaged in foreign commerce; this to continue for ten years, after which the payment to be reduced ten per cent. annually. The other features of the French maritime law are not considered applicable. The limit of time is considered important to properly stimulate the building of vessels.

Now, if ever, we must move effectively and unitedly. It is evident that the essential point is agreement upon some fixed plan, and the representatives of the maritime interests in New York, with otherwise divergent views, join in urging this as the desired policy.

Since the passage of this resolution we have met and consulted, over the matter of relief, with the National Steamboat Association, which is an association of steamboat owners; they have joined a committee of theirs with ours; I have the honor to be chairman of the committee that issued this first document, and I am also now the chairman of the joint committee representing the steamship owning people as well as the sail-ship owning people. This report, if adopted, would dispose of the vexed question of assistance to

our ocean mail-carriers. They would be satisfied with thirty cents a ton a thousand miles. It would also dispose of the sailing-ship interest, and that is almost the only interest we have on the ocean. We only have one hundred and eighty-six thousand tons of steam-tonnage engaged in foreign trade, mainly with South America.

Heretofore, when steamship owners have applied for aid from the Government, in carrying the mails, etc., the sailing-ship people have interposed objections, on the ground that the Government would thus be aiding competition against sail-ship interests on the ocean.

The fact that we have now very little more commerce on the ocean than appeared under our flag in the year 1810, should be sufficiently startling to the American people, it seems to me. If our flag is to be protected, in case of foreign complications, it must be done by aid furnished from our merchant marine. A merchant marine has in it all the essential elements for making a navy. Without a merchant marine, it would be almost impossible to create a navy in a sudden emergency; and it would seem that the dictates of common sense would demand that such a merchant marine be encouraged in all proper ways. Consider what has been the policy of some of the powerful nations of Europe. It has been to attack unprotected nations like China, that have little or no navy. We have seen many exhibitions of this disposition. Only the other day, Germany was ready to hazard a war with Spain for a little island in the Pacific Ocean. Those nations regard it as of sufficient importance to justify them in making great sacrifices in order to build up their merchant marine, while we sit idly by and see our own disappear from the ocean. The great bulk of our trade with Europe is transported under foreign flags. Every route leading to this country is in the possession of foreigners. The foreigner owns the route as securely between here and India as does the Pennsylvania Road own its property. Bear in mind that the territory of the ocean, under these new appliances for occupying it, is almost like the territory on the land.

Mr. CONKLING, of New York: Can you state the amount of English tonnage at the present time?

Mr. SNOW: I have not the exact figures here, but I think, including steam, it is about twelve million tons.

Mr. CONKLING : Is that strictly foreign commerce, aside from the coasting trade?

Mr. SNOW : I have been speaking of our own foreign commerce ; our foreign commerce is conducted under what we call the Registry Law, that is, that all vessels going abroad must be registered.

Under this condition of things, unless we receive help, we shall lose the West India trade. These great companies that have grown up under the fostering care of England can afford to run lines of ships from the West Indies to our country, even though they lose money, provided they secure ultimate advantages. We shall lose the West India trade and the South American trade if we lie supinely and allow this condition of things to continue.

Ship-building has almost entirely stopped in this country. And under such circumstances the disappearance of our shipping from the ocean will be very rapid ; two or three years would almost seem to be sufficient to utterly exterminate it. This deplorable state of affairs has continued until our sail-ship people and our steamship people have agreed upon this plan. The only thing we can ask of the National Board of Trade is that it shall consider this proposition of ours and pass upon it favorably, as other organizations have done.

I should be glad to answer any questions that any delegate may desire to ask, although it seems to me that any intelligent man in this body is quite as well qualified to judge of the matter as the speaker. I have spent a lifetime in our merchant marine, and I have a sort of patriotic pride that weighs somewhat with me, and I do feel as though it would be discreditable that an American consul abroad should be of no more importance there than is a Chinese consul or mercantile agent here.

The disappearance of our flag from the ocean is a subject that has constantly been referred to in our consular reports from every part of the world. Our consuls are constantly writing home, deploring the fact that we have allowed our commerce to be taken from us, and they have, in a great measure, become discouraged. Let me say this, in regard to the Western people : That in my intercourse with them I have found a greater desire on their part to lift us out of this discreditable condition than I have found among the Eastern people. In my talk with the Western people, they have seemed to feel that they would be willing to make a sacrifice in order to be able to accomplish what we desire.

Should we enter upon the proposed plan, the cost would be about seven million dollars a year, allowing every sailing-ship to sail fourteen thousand miles a year, and every steamship to go about three times as many miles. The mileage plan seems to be about the simplest way to settle the matter, because the money then goes into the pockets of our people who are engaged in ocean commerce.

Mr. HOLTON, of Milwaukee: Mr. DINGLEY, of Maine, was before this Board two years ago, and very fully explained the bills that were then before Congress, which I understand have passed in some shape, and I desire to ask Captain SNOW what has been their effect upon our shipping interests.

Mr. SNOW: So far as they have had any effect, it has been for the benefit of our commerce, but they have not reached to the point of essential help. They relate to small matters, and give no adequate relief.

Mr. HENRY, of New York: Have you prepared a resolution which embodies your present ideas?

Mr. SNOW: I intended to offer a resolution asking this body to approve the resolution approved by the New York Board of Trade and Transportation, and by the Chamber of Commerce.

Mr. CONKLING: Mr. President, I rise, not for the purpose of stating my views in a patriotic spirit or in a sense of national pride, or in any other way, except only as a matter of business. In response to my inquiry of the gentleman who has just taken his seat, he has informed the Board that the tonnage of Great Britain and Ireland amounts to twelve million tons. I have the impression, from some statistics that I have recently seen, to which, unfortunately, I did not pay particular attention, that the entire amount of their tonnage is about seventeen millions; that includes foreign commerce and the coasting and internal commerce of the British Islands. Now we have been informed that the tonnage of this country, including the registered, enrolled and licensed, amounts to between four million one hundred thousand and four million two hundred thousand tons. If my information is correct,—and I have paid some attention to the subject,—about one-half of all this vast tonnage of the British Islands lies rusting and rotting at the wharves at the present moment, and the remainder

of it does not pay much over one per cent. per annum upon the cost. Do we want to enter into competition with any such state of things as that?

Secondly, our tonnage is vastly in excess of that of every other nation except Great Britain. But if somebody would generously make us a present of a commercial marine, we could not employ it. The expense of wages and of operating are so much greater in this country than it is in England, that we could not make use of it. If any gentleman here is prepared to dispute these propositions, I would like to know it. Does any gentleman deny them? If I am correct, what is the use of passing this resolution?

MR. HENRY: I think, Mr. President, that the question of patriotism comes in here. We in this country do a great deal to foster an army and a navy for protection, and we are talking about the matter now. One great object in having a navy is to have our flag float in foreign waters. In the State of New York we do a great deal for our State Guard, as we call it, and we have regiments in all our cities, and it costs us a great deal of money to maintain them, but we feel a patriotic pride in doing so. Now, with regard to this ocean carrying trade, it may not pay today. Mr. CONKLING ought to be well aware that many lines of business do not pay today; that there is a surplus of certain kinds of business, and that they are greatly overdone. But the general carrying trade has been a profitable business in the past, and will be in the immediate future; all kinds of business are profitable in the long run. But for us to sit here and let our flag disappear from the ocean because it might not pay today, would be, it seems to me, Mr. President, nonsense. I hope that this country will at least do as much as France is doing to restore her flag upon the ocean, and I am satisfied that if this matter were properly brought before the merchants and farmers of the United States,—because I think the farmers are vitally interested—there would be an overwhelming vote in favor of restoring the old flag. I hope that no question of percentage will drive us off now and drive away our patriotism.

MR. CONKLING: Does the gentleman wish to be understood as affirming here that the agricultural interests of this country would pay more for sending their cereals and provisions abroad on a vessel bearing the stripes and stars, than they would by a vessel bearing a foreign flag?

Mr. HENRY: I am glad the gentleman has asked that question. The time has come when the farmers of the West, the great grain-producing section, see that, in order to put their grain against the grain of other foreign countries (Australia and Russia, for instance), we have got to have even cheaper shipping; and the time is near at hand when the great railroads will build their lines to connect with American steamship lines; they must do it for their own protection; they must have favorable terminal facilities in the cities of Baltimore, Philadelphia and Boston, because the ocean transportation is only a continuation of the trans-continental transportation. It has been stated by some writer in Great Britain that they will never hereafter call upon us for our grain except in case of war; but they will, because we can produce grain as cheaply as any other nation, and we can take it to them under the American flag as cheaply as any other nation.

I will answer another question for the gentleman. If the citizens of this country are patriotic, and believe in their own country and their own flag, they will not be looking to foreign flags to carry our grain and merchandise; they will not be attempting to see at how cheap a price they can have their goods carried upon some foreign ship, but they will make the best bargain they can with ships under the American flag.

Mr. LORING, of Minneapolis: I am a representative of a Western city, a city having very little interest in shipping affairs, but I wish to say a word or two upon this subject. What we send out of this country mainly is wheat, corn, rye, a small amount of barley, cotton and a few provisions.

A DELEGATE: And pork.

Mr. LORING: I understand that for many months in the year, and very often for the year round, our wheat is sent abroad merely as ballast, without the cost of a cent, and sometimes without the cost of a cent for a whole vessel load. I apprehend that we are taking a wrong view of this whole subject. What we want is a foreign trade. It costs us thirteen cents a bushel to get wheat from Minneapolis to Baltimore, and yet it only costs a cent a bushel to get it from Baltimore to the British market. We do not want to subsidize vessels for the purpose of getting it there for a half a cent lower. What we want is in some way to extend our foreign trade. We pay Brazil fifty million dollars a year for the

products of that country that we bring here, while we send there less than ten per cent. of that amount. What is the result? Our products will go wherever we can send them the cheapest. I had rather subsidize commercial travellers, and send them through all the Southern countries, the Government paying them a salary, and the merchants who send them paying their expenses, so that in that way those countries might learn about the articles that we manufacture, and we establish a foreign trade, than to seek to do it, by getting cheaper freights. The Western farmer who sends his produce to the East sees and feels only the cost of getting it to the sea-board.

Great Britain sends to Brazil millions of dollars' worth of goods that we might have the benefit of if we had a different consular system, or some other means of introducing our products. Instead of appointing as consuls decayed politicians or broken-down lawyers, I would be in favor of sending commercial travellers, and through their efforts have those foreigners made familiar with the articles we have for trade; or, if not commercial travellers, I would have some similar consular agency to effectuate the same purpose. It does appear to me, that before we provide for shipping our products abroad, we want a demand for those products. It seems to me that while transportation from Chicago, Cincinnati or Indianapolis to the sea-board, costs thirteen times as much as it does from the sea-board to the European market, our foreign carrying trade is not a matter that demands much attention on the part of Congress, at least not so much attention as our domestic carrying trade.

Mr. SAMPSON, of Boston: I should like to ask the gentleman how he expects to open up the business in foreign countries through commercial travellers, if we have no means of sending the goods there after the business is created?

Mr. LORING: I will tell you. It is necessary for the trade of New York that you find gentlemen ready to build railroads. As soon as we get a trade with Brazil, such as we ought to have, by putting in the South American States five hundred commercial travellers, paying them a salary and their expenses being paid by those who send them, I apprehend that within less than a year, there will be gentlemen enough crying loudly for the privilege of carrying the trade that we will have developed. Create the trade, and I will warrant that the vessels will go there.

Mr. SAMPSON: To increase travel is about the only way to open up communication and business with any country. But I do not want to discuss that matter; I only want to call attention to some figures of Mr. SNOW, which seem to speak for themselves, so that we may see whether it is for the interest of gentlemen running ships to continue to do so. For instance, in the year 1885, there were about fifty million bushels of grain sent across the ocean from American ports. To carry that grain England furnished six hundred and fifty-eight steamers and sixteen sailing vessels; Germany furnished two hundred and one steamers and three sailing vessels; Belgium, seventy-three steamers; the Danes sent thirty steamers; the Italians sent fifteen steamers and thirty sailing vessels; the Portuguese, three steamers and eighteen sailing vessels; the Austrians, twenty steamers; the Norwegians, four steamers; the Swedes, one steamer, and Brazil one. Not a single vessel owned by Americans, or carrying the American flag, carried a single particle of that grain. It does not seem reasonable to me that those shipowners should continue to send their ships to our port unless there were some compensation. It is perfectly disgraceful, it seems to me, that this country does not wake up to the importance of having a commercial marine, something from which a navy may be created when necessary. But I do not see how we can expect to build up a business with South America and the countries south of us without some sort of assistance from the Government.

Mr. CORBETT, of Portland, Oregon: Mr. President, although a delegate from one of the farthest Western States, I rise to second the resolution of Mr. SNOW. I have paid some attention to this question. Since the time when the COLLINS steamship line was put upon the Atlantic ocean, fitted with all the appliances for the transportation of the products of this country and of our mails across the ocean, I have witnessed England subsidizing vessels to run alongside of American ships, and driving our ships from the ocean, and I have witnessed our Congress neglecting to support American ships and American commerce. What caused that neglect? Whether lack of patriotism, or whether interested motives, I do not know. But one thing I do know, that our commerce has been gradually decreasing from the early history of this country. I remember that in 1851, American commerce began to increase. Why? Because of the superiority of the American

clipper-ship and the quick transportation between New York and California. That increase continued until about the time of the war. What then happened? England sent her cruisers and destroyed our commerce. To drive our commerce from the waters, she was willing to pay the fifteen and one-half millions that she did pay; she thought the price reasonable enough if it enabled her to be rid of competition. And here we are today, with our hands bound and our feet tied, and no commerce to represent this great nation.

Sir, we have had a slight subsidy to ships on the Pacific coast. I think the Pacific Mail Steamship line is about the only creditable line of ships that we have upon the ocean. But, because of a subsidy granted to that line, and some little scandal connected with it in Congress, the people made a great hue and cry, and Congress, in consequence of that hue and cry, has neglected to sustain your commerce until now the English people have full control, and it is very difficult for American shipping to obtain a foothold.

Why have we lost the Central American trade? Because the English sent their cruisers and destroyed our shipping. Up to that time it had been gradually increasing, and driving all English products from the market, because the American product is better; our hardware is better; our dry-goods are better, and our materials in every respect are superior to those manufactured by the English. Our ships running between here and Panama were boarded by cruisers, and the timidity of Americans in sending their goods under those circumstances, prevented the re-establishment of our Central American trade. For driving our commerce from the ocean, even the fifteen and one-half millions paid by England were not adequate compensation, because we simply took as the basis for that recovery the cost of these vessels, whereas we should have had constructive damages to a great amount, and those constructive damages should have been devoted to the building up of American shipping again. I believe that it is for the interest of the American people to build up shipping. There may be some ships rotting at English wharves, as has been said, but have we not many business men who are failing for the want of employment? Have we not many seamen that would engage in this trade who are begging for employment at your doors? We even have them on the Pacific coast.

In my opinion, the only way to restore this commerce is to do as England did. When she put vessels alongside those of any foreign nation, she gave a little larger subsidy than any other nation would do, and continued that policy until she had driven the ships of that nation from the ocean, and then she gradually reduced the subsidy until the English ships could support themselves. These vessels are able to support themselves between New York and Liverpool as soon as they get control of this trade and competition ceases. A short time ago we had a line of American ships to Australia, but because sufficient subsidy was not paid they have withdrawn and sold out their interest to English merchants and shippers. There are some of the finest ships in the world running between California and China. If the English put their ships alongside that line, and subsidize them sufficiently, they can drive our line from the ocean, and where will your commerce be then? There is very little now. For my part, I am willing to pay our proper proportion of taxes to subsidize a line of ships to be maintained in opposition to foreign ships, even if it requires a greater subsidy than the English have ever paid. I think we can afford it. We would reap a great harvest from the duties on imports. It has been proposed to reduce import duties because it is said we are accumulating too much money in the Treasury.

I am for protecting American labor wherever it is necessary, and wherever it is necessary to protect American commerce, there I propose to advocate and speak for it, whenever the occasion demands.

Mr. SMITH, of New York: Mr. President and gentlemen, I like the words with which the report of Captain SNOW begins, "Heroic treatment," and the shipping interests of the United States are in a very desperate condition, perhaps as much so from apathy in the matter as from any other cause. I was pained very recently in the Chamber of Commerce, to hear a gentleman say that the American people should not feel any interest in this matter; that this carrying trade of the world, this shipping interest, was a matter of very little importance to America; that we are getting it done for less than we could afford to do it. He said that an admiralty officer of the English Government had recently told him that the steamship companies of Europe were not making any money; that they were carrying freight for scarcely more than the cost; that dividends of one per cent. were about all that were

being made; and that it was not necessary that American merchants should interest themselves in American shipping, "Let others do it for us." I have heard that same thought reiterated here today, and I think it is exceedingly unfortunate that such utterances should be heard here. To draw a parallel, look at the railroad interests of this country. Three years ago they were prosperous and paying fair dividends; for a year and a half, up to the present time, very few dividends have been paid; railroad interests are not prosperous. I think, Mr. President, that the railroad interests of the United States today, on the average, are not more prosperous than are the shipping interests of Great Britain. And yet, who says, "Cease to build railroads"? Who says, "Cease to own railroads"? Who thinks for one moment that in the very near future, railroads will not be profitable? Who does not know that railroad stocks must again become valuable in the very near future?

Look again at the iron interests. I have no personal interest in the iron business, and yet I am well acquainted with some of the men in the West who are largely interested in iron, and I read whatever comes to me from that direction. I know that 1884 was a very disastrous year for the iron interest; that very few dividends were paid; that many fires and blast furnaces were allowed to go out; that many moulders and others were sent adrift; that the yards were left in charge of watchmen, and that no dividends were paid. Up to, perhaps, the first of last May, this was the state of affairs. The blast furnaces of the West, and east of the Alleghanies, were not in use; their fires had gone out. A few short months elapsed, and now, what is the condition of that interest? There is scarcely a blast furnace, according to my reading, in all the West, and in fact, on either side of the Alleghanies, but is in operation. I do not profess to be exact as to figures, but orders that could have been placed at about twenty-five dollars a ton for railroad iron have been refused at an advance of eight dollars or nine dollars upon that price,—and only one year has passed. Had those iron men sold out their plant, they would have done so at a great sacrifice—probably at one-third or more of its value. Ought they to have done so simply because the iron business was temporarily dull and unremunerative? I say, most emphatically, no. I say, Mr. President, that there is no more important interest in all this country,

than the carrying trade of the ocean. It is one of the most important interests that can possibly come for consideration before the American people, and I say it requires heroic treatment.

One of the gentlemen says that we have nothing to carry but cereals. He forgot about one of the most important features of the carrying trade—men, women and children.

Thousands are going abroad every summer by the Cunard, the Star Line and other lines of British ships. In twenty-five years, if it keeps on in this way, fifty gentlemen and their families will go to Europe to spend the summer where one goes now. Everything is tending in that direction.

Now, in regard to these ships laid up at the wharves in England, JOHN ROACH says—and he is considered good authority—that the average life of a steamship is twenty years; so that every year one-twentieth of the entire amount of shipping has to be replaced in order to keep up the stock. Let us see now how easy it would be to produce an exceedingly profitable business in the carrying trade of the world. Suppose that next summer there should be a short crop in England, France, Germany, and Austria, as they have often had before; that we should have a large crop in our Western States; that we should have just the very thing that England is obliged to have; do you suppose, for one moment, that one of those ships would be lying at a wharf? No, sir. They would be repaired and put in commission, and every one of them would be manned and come across here to get a cargo of cereals and carry it across to the other side, and every ship afloat would be employed.

Captain SNOW says, very justly, that no ships have been built. I come from Long Island. We used to build a great many vessels there. I am familiar with one little town where they formerly built from fifteen to twenty vessels of from two hundred to two thousand tons each. Last year we only built one vessel there. In Long Island, there was only one little pilot-boat built, and it was only repaired from her keel up. If the average life of a ship is only twenty years, it is not going to be so very long until ships will be a scarce article and the people are going to want them.

I heard Mr. PARSONS say, in one of the Southern cities last spring, that he had traveled six months in Oriental lands, and that while there he had a great longing to see the American flag.

I read a letter from a missionary who had been in Asia twenty years or more, and he had not seen the American flag in all that time. Have we no pride in our country? Does it not present itself to us as a humiliation that we should not have any commerce? It seems to me that we should be ashamed that our flag that once floated so gloriously over the wide, wide world can be seen no more. It brings sadness to my heart. I feel humiliated by it, and I am willing that money should be paid to revive our commerce. Suppose last year we had had a war,—not we, ourselves,—but on the other side of the ocean, between Russia and England; in what condition would this country have been? English ships would have been driven from the ocean by Russian privateers; not one of them would have dared to leave her dock; they would have been offered for sale at far less than cost. France, Germany, Italy, Norway and Sweden, and all those nations would have bought those ships. The belligerents would have wanted our cereals; their men would have been engaged in carrying on the war; every one of those ships would have been employed, I have not the slightest doubt. About the time we got our grain over there, some of our merchants would say, “These people are reaping a rich harvest, and we must send ships over there and have our share of the harvest.” But by that time the war would be over, and England would be building ships again at about two-thirds of what it would cost us, because their plant has cost them only about two-thirds as much as ours, so that they would have a very great advantage in that respect, and our ships would again be driven from the sea. We want to foster this branch of American commerce; we want to do all we possibly can for it; and this subsidy proposed by Captain Snow’s resolution is a very little thing for this nation to give to again place the American flag upon the ocean.

Mr. Gano, of Cincinnati: Mr. President, I feel emotions of patriotism in reference to this question, as I trust I do in regard to all others that may come before us properly. But the American people will certainly consider the cost of patriotism, as they will of everything else; they are a practical people. I am glad that this whole question of shipping has again come up. Last year we had an extremely interesting discussion, and perhaps more light was thrown upon the subject than at any time theretofore. Colonel

WETHERILL, of Philadelphia, introduced the resolution which resulted in sending this subject to the Executive Council for the purpose of getting certain information in regard to the French system of subsidies, in the hope that they would succeed in securing something of a practical character to submit to this organization. Unfortunately, as we hear from the Executive Council, the sub-committee appointed to consider the matter and report to the Council, accomplished nothing.

I should like to ask Captain SNOW if, in the computation he has made that it would require seven million dollars a year for the Government to pay this subsidy, there has been any calculation of how far that subsidy would reach in equalizing the cost of labor between this country and England. That question, from the discussion of the matter by Mr. WETHERILL last year, was extremely prominent in my mind, and is today. We are placed, as a nation, in an adverse position in regard to the cost of maintaining a mercantile marine, because of the difference in the cost of labor between this country and Europe. Colonel WETHERILL said that if we wanted to reduce our labor to forty cents a day, we could perhaps solve the problem. I should like very much to know if Captain SNOW can give us any information upon that question. It enters vitally into this question of making practical our operations. If we subsidize vessels, the question is whether they will then pay; that is, if the subsidy will equalize us, among the nations of the world, in maintaining a marine, the difference in the cost of labor being so much against us. That is a very important question in the consideration of this subject.

The general question of subsidy presents itself, it seems to me, to a practical mind: Why should the Government do anything more for the shipping interest than for any other interest in this country? When it begins to languish, shall we, the people, help out those who languish? I am willing to go a little on patriotism in regard to that matter—indeed, a good deal; I do not know but I would go the whole seven million dollars, if it would float our flag over the sea. But, unless the commercial men of the country, and those who would like to engage in the marine business, can see that it will pay, it certainly will not be taken hold of, even though seven million dollars be given as a subsidy.

Mr. SNOW: It would only be about twelve or fourteen cents a

head, if levied on the population of the whole country ; it is not very much. The steamship people would be abundantly satisfied. The steamship people know very well what they want, and this question has been very thoroughly considered by that class.

Now, as to the value of it to our own country. It will be of value to the country to sustain the people who are now struggling with this competition, because if you increase this commerce you enable them to live, but if you do not do this, you will lose even what you have. We all understand that complications may arise at any time between nations. The nations of the world have not forgotten the art of war. They still attack the unprotected. The nations of Europe look over the world to see what countries are unprotected and what the chances are of their making a lodgment. What have you to prevent a nation, such as England or Germany, making a lodgment upon a portion of our sea-coast and holding it against all comers? During the war of the rebellion, what could we have done in that event? Would not this country have been thoroughly divided, and the southern part of it have been a country entirely independent of the northern part, if we had not had the essential elements to enable the Government to prevent England's supplying the South with necessities? Our whole southern coast was infested by British blockade runners.

Mr. HIGGINS, of New York: Mr. Chairman and gentlemen, my views and feelings upon the subject of shipping, you are all very familiar with ; but as the discussion progresses, it seems to me that a little light is wanted upon this subject. One gentleman has asked, 'Why should the Government help any one languishing interest?' I should like to answer that question. Any one of you who will refer to my speech published in the proceedings of last year, will see that I gave figures, from which the fact is incontrovertibly established that the loss of our shipping has been due to reciprocity treaties, by which free trade was established in the industry of carrying our commerce upon the ocean. Those commercial treaties have resulted in throwing down the bars, in admitting every nation to come here and compete for the carrying trade. It has also benefited this nation ; I do not wish to dodge the question in any respect ; this nation is reaping the advantage in one respect, and that is, that it is having its commerce carried on the ocean cheaper than ever before. We may as well look at the truth, and not attempt to go blindly into questions of sentiment, because I must

say to my friend — from whom I dissent with great respect, and to whom I yield no jot or tittle of honest love for the American flag — that that is purely a question of sentiment. We, who have grey hairs in our heads, have witnessed the United States deliberately withdrawing the subsidies given to Mr. COLLINS, just at the critical moment when the very existence of American steamships depended upon its maintenance. With what possible hope can we look to the future, when such sentiments have been manifested from the commencement, as far as my experience goes; and, when we witnessed last year the deliberate withholding of a sum of money (appropriated, certainly, with the intention of benefiting shipping) by one of our distinguished executive officers? I feel that the general welfare of the nation has been enhanced by reciprocity treaties that reduced the rates of freight; that is a sufficient reason why, if the revival of American shipping is considered desirable, the Government should put its hands into its pockets to restore it. There need be no hesitation in appealing to the Government for aid to restore it. I think that that quite answers the question as to why we should ask the Government to do it.

But, sir, we may as well ask what we are requesting the Government to do. At the rate of about two steamships a day Great Britain has been issuing upon the ocean these chickens of her hatching, and there are now afloat in the world three thousand steamers averaging two thousand tons each, which Great Britain has produced and launched upon the ocean. Every ton of steamship is equal to five tons of sail, and if you take the average voyages which steamships are able to make, you will see that the average voyages, the world over, are not over five thousand miles for each steamship; and that these steamships represent a carrying capacity of nearly two hundred million tons per annum, at least one-third more than the entire tonnage of the world, and I do not think I exaggerate in saying that there are a thousand steamships afloat today more than the entire tonnage of the world requires. Let us look at these appalling statistics. What process can we adopt in the United States whereby we can see steamship building revived? I voted with the greatest possible fervor with my friend Captain SNOW, in the New York Chamber of Commerce, on this proposition for this subsidy. It is well that it is called a limited aid in the resolution, it is exceedingly limited. It will do no more, sir, than possibly to preserve the few remaining lines of steam-

ships we now have, and perhaps excite a little more exertion in the trade where no steamship lines exist; that is about all it is going to do. As to its having the effect of reviving ship-building, in the face of these obstacles which I have referred to, I have very little faith.

Let us see, for one moment, what has been the operation of the French subsidy. I have taken particular pains to ascertain, as far as statistics and reports go, what has been the exact operation of the French bounty law. That bounty law was passed in France in the hope that the difference made between a French built vessel and a vessel bought by French owners, would, of itself, be sufficient to incite Frenchmen to build vessels. It has not had that effect. I can state, without fear of contradiction, that that element in the proposition has failed. They have found that to buy their steamships in Great Britain and accept a reduced rate of subsidy, is more profitable than to build the vessel in France at the higher rate.

In our own country, of course, we have these registration laws. The subsidy in France depends entirely upon the fact of the existence of the vessel, and has nothing to do with where it was bought. This is a very grave question, on which I am tempted to give up my prejudices, and ask whether it would not be better to tear down the barriers and allow us to buy ships wherever we can. But for my own part, on the whole, I do not think that the remedy of allowing the purchase of foreign built vessels would be any more effectual than the subsidy, because I do not think that any merchant today could buy a vessel and make any money in running it. I will give you an illustration. Two English gentlemen told me the same identical story — that each had bought into a vessel, to carry large cargoes at small expense. The ships cost from one hundred and seventy-five thousand to two hundred thousand dollars, and in both instances, the ships were sold by these gentlemen for less than fifty thousand dollars, their ventures having turned out a loss.

This country does not enjoy the facilities for building vessels that Great Britain does; but her facility has been built up at an enormous cost. England has expended gigantic sums of money for her plants. The English Government has given to each one of these private contractors enormous contracts to build war vessels and to armor them, at a cost sometimes, of, from one million dol-

lars to two million dollars, from which contracts the firms make large profits. The English Government gives these contracts to these great firms, knowing that there is large profit in them; but knowing at the same time that those profits will go into the plant. England has a magnificent way of doing those things, while we have hounded a poor man who gave his whole life to building up one plant in this country—we have hounded him into bankruptcy, and that is the way America treats her people.

A DELEGATE: Shame!

Mr. HIGGINS: We talk of Great Britain's being a free trade country. That cry of free trade to the men who pretend to study political economy in this country is like the red rag shaken in the face of a bull. I heard some singular statements in the New York Chamber of Commerce, one of our representatives stating that the agricultural interest of the United States was as important as shipping. I was astounded, and asked him where he could put his finger upon anything that would establish his assertion. You can see at once that the mere construction of a ship is of no possible value unless employment is given her. Look at the proof. Here, we have our coastwise business, in which there is protection up to the very hub; we simply forbid anybody else from coming in. Our coastwise trade is everything that any American can desire. In our coastwise and internal commerce, we have nearly four millions of tonnage of vessels of the first class; so you have no cause of complaint on that score, because freights are reduced to their minimum, a consequence of the competition of internal water-ways and railroads. So that there is the fact on the other side, of what we could have had if we had it to ourselves. The trouble is, we have given up the control of the ocean, and we cannot regain it without a large sum of money. Have you any idea of the amount Great Britain has spent from 1860 to 1885? I have had it denied, and have been accused of historical inaccuracy, but I have repeated the figures until I, myself, have come to believe them. She spent twenty-six million dollars, in mail subsidies alone, in those years; and that sum has constituted her the Queen of the Ocean. If we expect to regain our former commercial standing on the high seas, we, too, must be prepared to spend large sums of money. England has enormous shipyards, and there her mechanics are employed, even if they have to build

vessels at a dead loss. They cannot afford to shut up shop. Every one of these first-class steam vessels costs from one million and a half to two million dollars; and to construct one of them is a very heavy task. The risk of loss is, consequently, very great, and many of those English vessels are run at a loss. I have been told that the reason the Cunard Line is able to make money is because the original stockholders failed and sold out at about twenty-five cents on the dollar, so that, under the new capitalization, the present stockholders have it on a firm basis, and that is the reason they are now able to make money.

A DELEGATE: May not the decline in American ship-building be traced directly to the introduction of the iron steamer?

MR. HIGGINS: It may not. My answer is positive upon this question. In 1881 our foreign tonnage aggregated fifteen million four hundred thousand. In 1858, at which time we were in our supremacy and had the command of the ocean, our foreign tonnage was less than five millions, and there were but forty steamships employed. We gave up the entire building of sail vessels while our tonnage was developing. In 1858, we had something like three thousand eight hundred sea-going sailing vessels; in 1881, we numbered less than one thousand eight hundred. This is positive proof to my mind that the construction of iron ships had nothing to do with it. During that time every foreign nation has increased its tonnage; we have given it up entirely. This shows to me that the difference was because they managed their vessels and constructed them more cheaply.

When we talk of commerce we are too apt to think of the ocean carrying trade. That is not the whole of commerce. Commerce means the interchange of commodities or of money. The commerce of the United States is greater today than it ever was, and perhaps surpasses that of any other nation. Our foreign commerce, it is true, only represents one billion, five hundred million dollars, in the aggregate, exports and imports; but the internal commerce of the country represents fifteen billion dollars — the mind of man cannot grasp it. According to Sir LYON PLAYFAIR, a very good authority, our agricultural production was nine billion dollars; of that we exported but six per cent.; and remember that this country stretches over a portion of this globe far greater than the entire commercial world in olden times; that every State

here represents as much or more territory than a country abroad ; and for this country we require all the money we can get to carry on this internal traffic of ours. We have simply taken our money from the ocean and put it where we could get a better return for it.

I should be very glad to see our ocean commerce revived, and should be willing to pay my share of the taxes for that purpose. Of course every American will ask the question, Is it worth what it will cost? I feel a great sympathy for the men who suffer under these circumstances.

There is, of course, a national pride about this matter which is very proper. I was very glad to hear Captain SNOW say that he thought this little aid would be effectual to a certain extent. If it is not effectual it will not be spent. The Government will not pay it unless the ships are kept afloat. Therefore I can see nothing objectionable in the proposition itself, and I see no reason why I should not cordially approve of it.

MR. MILLER, of New York : A question was asked here which, so far as I know, has not been answered, although it is most important. Why protect American shipping? We protect it because the principal commercial nation of the globe, the one that is the centre of all financial strength and power, the one in whose favor exchange rules in all parts of the world (Great Britain), through commerce, and commerce alone, has achieved the proudest eminence of all nations upon the face of the earth, and in her financial and commercial connections controls the destinies of more people than any other nation that exists. A country with a comparatively small population, as compared with many others, and with a territory only equal to New England, New York and Pennsylvania, stands today preëminent. But that preëminence dates back for only a short period. It commenced really with the charter of the East India Company, when Lord CLIVE succeeded in conquering and annexing that large territory to Great Britain, which has now become an Empire under the Empress of Great Britain.

Great Britain at an early day recognized the importance of commerce for the employment of her enterprising sons, and it was made a penal offence for any inhabitant of her colonies to engage in foreign commerce. Notwithstanding that, after we had achieved our independence, through the enterprise of our people, through the superiority of our timber and of our naval architecture, we

had become at the time of the War of Secession, the second nation on the face of the globe in commerce; all this in a period of three-quarters of a century.

How did we lose our commerce? Through a succession of events. The war of the rebellion caused us to put our commerce at that time under a foreign flag with no power of re-acquisition afterwards. In the second place it was discovered just about that time, that iron was a better material for constructing ships than the timber of the United States. Then came our internecine war that took from our country millions of lives and thousands of millions of treasure. That war engrossed our whole attention. During that war England achieved formidable proportions, having accumulated such an enormous capital, that after the war was over it became utterly impossible for individual enterprise to cope with her. That was the position. Great Britain has always fostered her commerce, and if it had been necessary she would have subsidized every ship she has to an extent equal to the whole amount of the trade to be secured. She does not do it, simply because the necessity does not exist. She has the commerce. You may send out your commercial travellers with samples of goods, but wherever the commerce goes, wherever the voice of trade is heard the loudest, that country will have the lion's share of the business. And yet gentlemen have truly said here that we have manufactured the best goods out of the best materials, and had them introduced into countries from which they have been actually driven out. For that we have the testimony of the manufacturers of our own country. The fact is recognized by the most intelligent nations upon the earth, and they have made efforts to secure that trade. Germany, France, the Scandinavian countries, Italy even, have made efforts to acquire it, recognizing as the result of practical experience and historical knowledge that the possession of the carrying trade carries with it the business.

Why should we let sectional jealousies interfere with that which is going to benefit the whole nation? The West is a thousand-fold more deeply interested in this matter than the seaboard, they requiring the markets of the world, without which, while they may live and prosper, their prosperity will be measurable only. It is for the American people, with their boundless resources, if duly and properly exercised, to take the first position, in a quarter of a century, among the nations upon the face of the globe. (Applause.)

Mr. McLAREN, of Milwaukee: I would like to see the two resolutions before us considered or voted upon separately, and I would like also to see a division of the first resolution. The first part, to the words "American vessels," in the fourth line, and the part succeeding that, are, to my mind, entirely different.

It seems unfortunate that whenever any of us differ from our friends in regard to the method of getting at a difficulty, we have to submit to being branded as unpatriotic and having no due regard for the American flag. I have just as much regard for the American flag, and just as strong a desire to see it flying at home and abroad, as any man in this room, but I do not quite agree with some gentlemen about the way to have that object accomplished. I have spoken and voted in this Board for a good many years on this subject, trying to get at some way that would cure the disease from which American shipping is suffering. I have just as strong a desire to see that disease cured as any man, but I differ from my friends a little in regard to the way of getting at it. There are two ways of teaching a child to swim: one is to furnish a nice floater put on the shoulders, and put him in the water and make him believe that the water will sustain him; the other is to show him how to move his arms and legs and take care of himself. I will not say which of these ways I think the more sensible of the two, but when I want to teach my family how to swim, I should make up my mind first that it was best to treat them all alike.

There is one difficulty about this question that we have not touched here today. If this principle of subsidizing every interest that is laboring under difficulties, caused by competition, or otherwise, is the true one, then it should be carried a great deal farther. Look at the commerce of our lakes, how it is suffering, how depressed it is. Look at our sailing vessels. Our steamers cannot get a cent a bushel for carrying freight from Chicago to Buffalo. Look at the canal-boats rotting from disuse; they cannot get money enough for freights to pay their tolls from Buffalo to New York and to pay for their use. Look at the steamers on our rivers; they are suffering in the same way. Have they not some claim to be helped also? Do they not train up sailors that will be of use in our navy, if we have to engage in war? Most certainly they do. Why not subsidize them also? And perhaps you can go further than that, Mr. President. Here is a line of railroad building beyond our northern border. That railroad is subsidized under

this glorious policy of the British Government that has been spoken of so much. The Canadian Government has not only subsidized it, but it has built a railroad at an expense and with securities thrown around it, in regard to which we have yet much to learn in this country. May we not be called upon to help our railroads by and bye? May not the competition of the Canadian Pacific Railroad cause a demand that we should subsidize our lines running to the Pacific coast, in order that they may be able to compete with the subsidized railroad to the north of us?

This question is very broad. It is very true that the eloquence of my friends today has almost made me feel that I am willing to concede what they ask, but I have not got quite that far, and if I should go that far I should want to go a good deal farther.

I was glad to have Mr. HIGGINS answer the question I have asked my friend Mr. SNOW, in regard to this French system, which I have heard answered today for the first time. What has that effected? It has effected nothing, as I understand. We are told to adopt the French system, for it is nice and practical, but what has it done? It has been in operation about four years.

Mr. HENRY. It has kept the French flag afloat. England did not drive it off the seas, as she did ours.

Mr. McLAREN. I have not heard any fact stated to show that it has accomplished anything.

Mr. HIGGINS. There is a distinction in the French subsidy act between those vessels built at home and those built abroad, and I merely stated that, so far as building was concerned, it has totally failed to accomplish its object, though it has served to keep alive certain French lines which have been created since.

Mr. WHEELER, of Philadelphia: The pay proposed is merely contingent; if none is earned none will be given.

Mr. McLAREN: I understand that. All that I want to get at is the wisest way of dealing with this matter. It seems to me that when we get into this question of foreign shipping, when we get outside of our own borders, beyond our own waters, we have got to recognize that we are out upon the high seas. Our own citizens must be at liberty to compete with the whole world. We must allow them to buy their vessels where they can buy cheapest, as the citizens of nearly all other civilized countries do; we must

give them facilities for supplies and repairs, and everything connected with the handling of ships, on the cheapest basis. And we have got to come to the point of giving them the most liberal pay for doing the work they do. We ought to pay them well for all the work they do in connection with the ocean postal service. These are the reasons why I would like, when we come to a vote upon Proposition IV, to see it divided, for I would like to vote for the first part of that proposition.

Mr. SPERRY, of New Haven: The United States of America is in a very different position, so far forth as our territory is concerned, from Great Britain. We have a continent three thousand miles wide and three thousand miles long, and we have been engaged in taking care of our inter-state commerce. Great Britain has been putting her money into vessels for the purpose of taking care of the ocean commerce of the world. Now, money is going where it will pay the best always. Mr. HIGGINS has told you to-day that, so far as British commerce is concerned, those British vessels do not pay on the capital invested. The American people are noted for their shrewdness; do they propose today to pass resolutions that they will go into a business that has reached its height commercially, so to speak? I care not how patriotic he may be, I tell you, when a man's pocket is affected his patriotism is affected also. I am not afraid of subsidies, and never was. Great Britain today is paying about seven million dollars a year in subsidies. Are we prepared to pay as much? Captain SNOW said last year that it was a moiety. To be sure it may be a moiety, but are we, as a people, ready to go into that and maintain it? As my friend said, some hundred and fifty million dollars or thereabouts has been expended by Great Britain in the last few years. Do you suppose that the Government of the United States, when it has refused to expend a subsidy already voted by Congress, would for a moment sustain a proposition for the annual expenditure of seven million dollars? If I thought we should be willing to go on, having put our hands to the plow, and stand by the subsidy plan until we had built up something worthy, I should have more confidence in the scheme. Are we ready to go into this and attempt to compete with a business which, as Mr. HIGGINS says, is not paying today? I want to look at this thing practically. If you can not make Congress believe in the subsidy idea, there is no use of our talking.

Congress alone can pass upon that subject, and upon the Executive devolves the duty of carrying out the provisions of the law. But even when Congress does pass a small subsidy the Executive today does not execute it. The sum appropriated by Congress for carrying the mails in our steamships is lying in the treasury, while we are paying Great Britain a far greater sum for carrying our own mails, and Great Britain herself, as I said before, is paying seven million dollars for carrying her mails. When we go into this we shall have a big field before us. You cannot re-organize matters in a day. The Government of Great Britain has been a long time reaching her present position; she has reached it step by step, but she is obliged to have that position in order to live. We are not obliged to occupy that position in order to live. Although our commercial interests may be languishing, yet I tell you I do not know how it is to be accomplished. Tell me, if you can, how we are to change the face of things.

When you are talking about patriotism, in granting these large subsidies, tell us how we can carry them out unless we are willing to double the amount that Great Britain is paying today, in order to get that which we want, the commerce of the world. I would vote for subsidies; I did so last year; but, as I said before, it seems to me that we are acting upon a very broad proposition, and we wish in some way, if we can, to drive or to force the commerce of the seas into our possession. You cannot make water run up hill. If commerce is not paying abroad, Americans are not going into it; and the subsidies, if we begin, must be continued for I do not know how long, probably until all of us are in our graves. I think we have been too niggardly upon this subject; I think the Government has been too niggardly. I think we ought to have a full grown trade. I think we ought to have vessels plying between here and South America. This continent belongs to us.

Mr. DOLPH, of Portland, Oregon. Mr. President, while I do not feel exactly at liberty to enter into a discussion of the entire scope of these resolutions, inasmuch as I am a member of the Senate Committee on Commerce, and also of a sub-committee, and have some of the questions connected with this subject before me for consideration, yet I do not like to have the resolutions passed in silence on my part.

Commerce may be divided into trade and transportation. As has been said, our interstate commerce has been greatly developed,

especially within the last twenty-five years. I do not suppose any country on the face of the globe has witnessed such a development of internal commerce and trade as has ours in that time. And it is at least some consolation, if we have lost the carrying trade of the ocean, that we have thus developed our internal commerce, and that we have had our capital and energies put to so good an use.

So far as our coasting trade is concerned, I suppose there is no finer marine engaged in domestic commerce in any part of the known world than ours today. So far as our actual commerce with other countries is concerned, it has gradually increased until it amounts, as was said by a gentleman who addressed us recently, to one billion five million dollars, exports and imports. That has constantly increased, but, as must be admitted, we have, to a large extent, lost the foreign carrying trade.

Now, sir, I am as patriotic as any gentleman connected with this body. I should rejoice to see the American flag floating in every sea and in every harbor of the world. But, sir, if it were to float over foreign-built ships, manned by foreigners and simply owned by American capitalists, to me it would be a matter of humiliation rather than of rejoicing.

I want to see our flag floating upon the seas ; I want to see our commerce carried by American vessels ; but wherever our flag floats, I want it to represent American energy, American enterprise, and American labor. I am a protectionist, and I want to protect American ship-building. To admit ships free would be the last blow that would kill that industry forever. I want to put myself right before this organization upon that single question of free ships.

Mr. SCHRYVER, of Baltimore : I should like to ask Mr. HIGGINS as to an English ship costing only two-thirds as much as an American ship.

Mr. HIGGINS : I did not make that statement. I think the difference is only about twenty per cent. against us. That is caused by the difference in the price of labor.

Mr. SMITH, of New York : I made that statement. Mr. ROACH says that ninety per cent. of the cost of ship-building is labor. I think I am correct in saying that two thousand dollars would buy as much ship there as three thousand dollars would here. The fact that almost all the cost of a ship is labor, accounts for that.

Mr. HIGGINS: I know that the difference is not thirty-three and a third per cent., and I am confident that it does not exceed between twenty and twenty-five per cent. I know that Mr. ROACH has offered to build vessels under specifications, to be within twenty per cent. of the cost of similar English vessels.

Mr. SCHRYVER: I should also like to ask Mr. HIGGINS what is the nature of the English subsidy?

Mr. HIGGINS: It is entirely in the shape of mail subsidy.

Mr. SCHRYVER: There is no allowance for tonnage or mileage?

Mr. HIGGINS: No, sir.

Mr. SCHRYVER: Is this proposition based entirely upon the French subsidy system?

Mr. HIGGINS: Yes.

Mr. SCHRYVER: As the gentleman seems well informed, I would ask further which is the more desirable shape for subsidy?

Mr. HIGGINS: For American vessels, the form now suggested, thirty cents a ton per thousand miles, is. You could hardly make the compensation relate to mails; in other words, there is no relation between compensation and service performed. Great Britain is an island, and she has very large ocean mails, her whole commercial existence depends upon communication with other countries; so that, with her, the mail subsidy is a very reasonable and practical form of aid. My association, after having considered the matter thoroughly, has unanimously determined that it would not support the proposition of the Maritime Association of New York, and I believe that information was sent back to it. So that, for myself, and I think I can speak for my *confreres*, I think I shall be justified in voting against the proposition.

Mr. SNOW: While the committee had this matter under discussion I wrote to our consul at Havre, and asked him to give me all the information he could about the working of the French subsidy plan. I was informed that no word of complaint had come from Frenchmen with reference to it, but the general complaint was as to the dullness of shipping. The amount of subsidy that had been paid under the law was sent to me, but I have not the figures before me. I have never heard the opinion expressed that it was not a success.

Mr. BACON, of Milwaukee: Mr. President, attention has been called to the fact that we have no commercial relations with South American countries, which seems to me to be a very important matter. It seems to me that the carrying trade, of itself, as has been developed here in this discussion today, is not desirable. It is not essential that we should now have an interest in the carrying trade, because it is a non-paying trade, and the market is overstocked. But here is something that, it seems to me, is practical, and that is our commercial relations with other countries on this side of the globe, particularly South America. My question is this: Will the proposed thirty cents enable the shipowners in New York to run a line to Brazil or to any other South American country?

Mr. HENRY: Yes.

Mr. BUCHANAN: With reference to the point that has just been touched upon, allow me to give you a single illustration: In my own city we have been developing during the past years very rapidly, and to a very large extent, the manufacture of rubber goods. Our rubber comes from Brazil, and the importation of rubber is constantly increasing. We have nothing to send back in exchange except gold, silver and United States notes. We have, however, on our shelves, Trenton goods that the Brazilians want, goods we should be glad to sell them, goods they would be glad to get, goods that we think are second to none in the world of the kind. Our rubber comes to us directly from Brazil, brought by the tramp steamers that go from Brazil to Liverpool and back to New York, and then from New York with another cargo to Liverpool. So that, as we receive the rubber we are benefited by that arrangement, but that benefit is more than over-balanced by this other difficulty. We have no way of sending our goods to them in return for this rubber. In order to get those goods into Brazilian markets, we must ship them to Liverpool and have them again cross the ocean to Brazil. Now you say "Why don't you establish a line of steamers?" In the first place, that particular trade is not large enough to warrant the establishment of such a line. In the second place, if we did, if we were allowed to buy ships from off the stocks on the banks of the Clyde, and bring them over here without one cent of duty, if we were allowed to navigate them by paying the wages paid to English seamen, we

still could not afford to keep a line running, because these freights, being simply an incidental part of the main voyage, are so low that we should not be justified in establishing a line of our own and operating it.

We see a glimmer of relief in the proposed measure. It has been asked, Why should the Government protect any languishing portion of its citizens? That question was answered by the second act of Congress passed in this country, and it has remained from that day to this more or less the policy of this country.

Mr. THOMPSON, of Baltimore: May I say to the gentleman from Trenton that there is a small fleet of sailing vessels running from Baltimore to Brazil, and if he needs transportation for the articles manufactured in Trenton, I am sure we should be glad to furnish it.

Mr. BUCHANAN: The trouble is that they are sailing vessels, and we have got into the age of steam and need quick transportation.

Mr. HENRY: Transportation from Trenton to Baltimore would cost more than from Liverpool to Brazil.

Mr. BUCHANAN: I was about to say that to get our goods to Baltimore would cost more than the whole ocean freight. I simply cite this as a small illustration of the difficulties besetting this matter; nevertheless, it seems to me a strong illustration of the blind way in which the American people are managing their own business.

Mr. PARSONS, of Detroit: I want to allude to one instance, Mr. President, which occurred a few years since, that has some bearing on this subject. I believe no country in the world makes better goods than America; that has been proved, I think, everywhere. Now as to the fact: I visited the Cotton Exchange at Liverpool for information touching these matters, and there I met a gentleman who had been a trader in Brazil. Naturally, I inquired somewhat after trade in Brazil. I said, Did you handle American goods? He said, Before I left, American goods were introduced to some extent. I said, How do they compare with English goods? He said, I was a large dealer in English goods, and dealt slightly in American goods; on my first receipt of American drillings, which are used by the slaves, to test the

respective values of the American product and the English product, I put a certain number of yards of the English product into water, took it out and dried it, and weighed it after it was dry, and found that the fourteen pounds that went in came out nine and three-quarters pounds. I put in the same number of yards of the American product and found that it came out weighing thirteen and a half pounds, an honest product in every respect. Now, we have the goods manufactured of the very best materials and in the best and most perfect manner. What stands in the way of their proper and honest introduction to the people of South America?

Mr. Chairman, the same fact exists with reference to Oriental countries. I consulted Mr. BLACK, an eminent merchant in Beirut, on this same subject. He showed me a piece of American sheeting which he was prepared to sell at twelve and a half cents a yard, and a piece of English sheeting which he said commanded the same price, though the American was worth nearly twice the English goods, because white earth composed a large part of the material of the English, while the other was composed of honest cotton. He said, Our correspondence is mainly with England; your consuls do not present the trade and demands of your country as the English consuls do. And here is the trouble; there is no question as to that. How shall we remedy it?

Mr. Chairman, I heard a discussion of this question somewhat at length recently in the Chamber of Commerce, New York, and I was very much struck with it. Perhaps I am in error, as possibly I am not familiar with this subject, but Mr. HEWITT got up and presented his side of the question in an exceedingly forcible manner, with a great deal of evident feeling, from a strongly political standpoint. Mr. HIGGINS replied, urging his views, from an opposite strongly political standpoint. What good was accomplished by that presentation of the subject? The thought came into my mind that while the American ocean trade was decreasing gradually during all this time, and while the political contest was waging, nothing good in any respect was resulting. But when commercial gentlemen can meet together, seeking to develop the true interests of commerce, I think some favorable result will be attained, and not till then.

Mr. McLAREN: If in order, I wish to move the division of this question.

The PRESIDENT : That is in order, and the question will be taken upon each part separately. The Secretary will read the first part of No. IV.

The SECRETARY read as follows :

Resolved, That it is expedient for the National Government to assume the full expenditure authorized by law for the carriage of the mails to foreign ports in American vessels.

This paragraph was agreed to unanimously.

The PRESIDENT : The question will be taken upon the remainder of Proposition IV, which the SECRETARY will read.

The SECRETARY read as follows :

And Congress is urged to appropriate a further sum, not greater than thirty cents a ton, gross register, for every thousand miles of actual voyage, as a subvention to American vessels of over one thousand tons, actually engaged in commerce.

Mr. HOLTON, of Milwaukee : Will you, Mr. Chairman, give me dispensation if I vote for this last clause?

The PRESIDENT : I will, with great pleasure.

Mr. HOLTON : Hitherto, I have been against all appropriations of this kind. As my friend, Mr. McLAREN, has said, if you supplement one interest by Government aid, you may supplement another. But, in view of this agreement I have made with the President, that he will dispense me — that is, according to the understanding of some church folks, I want freedom from compunctions of conscience, that my conscience may be at ease — I have decided to vote for it.

The PRESIDENT : I would say that I am happy to realize the fact that this National Board of Trade, after discussing this question of American shipping for several years, and after the expressions of opinion we have heard upon this floor in regard to it, have now arrived, in my judgment, at a conclusion, which, although it may not thoroughly meet the case and revive American shipping, yet is a step in the right direction, a step which will go a great way towards testing how far the enterprise and ingenuity and skill of American merchants and ship-owners will be able, by the moderate compensation which is proposed, to compete with and overcome the vast amount of subsidy hitherto afforded to foreign competing

shipping. We have happily arrived, I think, at a concurrence of opinion that we ought to try to preserve the integrity of the old flag, and to carry out the principles which were very early adopted in this country, — to build up an American Marine which should not only be fitted to carry the commerce of the country, but also to educate a body of sailors, so that in the event of strife with foreign powers, we should be able to maintain the honor of the flag.

There is another part of this important question, that we should not be dependent entirely upon foreign ship-yards for the building or repair of our ships. Support should be given to that industry which is devoted to ship-building, so that, in case of stress between our nation and another, we should be possessed within our own borders of everything necessary for warfare. I am reminded of what one of the patriotic men of old times (General JACKSON) said in regard to discussions upon tariff legislation: He wanted to see the country able to produce all those things which were absolutely necessary for the defence and comfort of the people; that we should not be put back again into the position of the American soldiers, when they were freezing upon the frontiers of the United States because they could not get a supply of blankets to keep them warm.

I am glad that we have reached the conclusion, that seems now to be apparent in my mind, that this first proposition, at all events, will receive the support of this body, and that we shall at least try the experiment of something like heroic treatment for the removal of the great disadvantage under which the shipping interest of this country has been laboring for the last twenty years or more.

Upon the adoption of the latter part of Proposition IV, last read by the Secretary, a division was called for; there were thirty-two ayes, and ten noes. So this part of Proposition IV referred to was also agreed to.

Proposition V now came to a vote.

Mr. GANO, of Cincinnati. I should like to see omitted, as wholly unnecessary, the words, “if we desire to secure our share of the world’s trade.” In the first place it may safely be taken

for granted that we do desire to secure our share of the world's trade; and in the second place, the action we have already taken shows that we do.

The PRESIDENT. Will the Board of Trade and Transportation consent to the withdrawal of those words?

Mr. HENRY. We withdraw those words and move the adoption of the proposition with those words stricken out.

Mr. HOLTON: It occurs to me that this resolution ought to precede the one just adopted, and I move that on the record this resolution take precedence of the other.

The PRESIDENT: That order will be observed if this proposition is adopted.

Proposition V was then adopted, as modified, as follows:

Resolved, That the National Board of Trade recognizes the necessity of adopting the same methods pursued by our competitors to establish quick and frequent communication with foreign markets, and place our shipowners upon an equal footing with those of other countries.

A Committee was ordered to carry this action of the Board to the Capitol.

The SECRETARY: I have just received a communication from the Hon. E. W. SEYMOUR, of the House of Representatives, declining the vice-presidency to which he has been elected, and nominating Mr. R. B. LACEY for the vacancy.

The resignation was accepted, and Mr. LACEY was nominated and elected to fill the vacancy.

The PRESIDENT appointed the following Committee to present the action of the Board on American Shipping to the Congressional Committees: Mr. SNOW and Mr. HIGGINS, of New York, Mr. SAMPSON of Boston, Mr. HOLTON and Mr. McLAREN, of Milwaukee, Mr. PARSONS of Detroit, and Mr. CORBETT of Portland, Oregon.

Mr. JANNEY, of Philadelphia : The Special Committee on Bankruptcy Legislation offers the following resolutions, and recommends their adoption by this Board :

Resolved, That this Board again most emphatically and unreservedly expresses its sense of the great importance of the immediate enactment of a just, economical, and expeditious National Bankrupt Law.

That this Board believes that the Bill drafted by Judge LOWELL is one possessing these desirable qualities, the substantial provisions whereof are also contained in the Bills now pending in Congress, and which have been respectively introduced by the Hon. GEORGE F. HOAR in the United States Senate, and known therein as Calendar Bill Senate No. 714, and by the Hon. P. A. COLLINS in the House of Representatives, known therein as H. R. No. 1119, and which measures are hereby heartily approved and endorsed by this Board.

Be it further resolved, That Congress is hereby most respectfully urged to grant unto the commercial interests of the country protection and relief, by an immediate enactment of a law containing the provisions of the Bills hereinbefore mentioned.

BENJ. S. JANNEY, Jr.,
JOSEPH W. WOODS,
MORRIS S. WISE,
JOHN A. GANO,
J. FRANK SUPPLEE,

Committee.

Mr. President, the committee not only asks that these resolutions be adopted, but that a large committee, of which the President shall be chairman, may be appointed by the President to appear before the Judiciary Committee of the House of Representatives tomorrow morning at 10 o'clock.

The report was accepted, and the resolutions were adopted. The following committee, representing each body present by delegates at the meeting, was appointed :

Baltimore Board of Trade, J. FRANK SUPPLEE.
Baltimore Corn and Flour Exchange, E. M. SCHRYVER.
Boston Merchants' Association, JOSEPH W. WOODS.
Bridgeport Board of Trade, ROWLAND B. LACEY.
Chicago Board of Trade, JOHN H. CLOUGH.
Cincinnati Chamber of Commerce, JOHN A. GANO.
Detroit Board of Trade, PHILO PARSONS.
Indianapolis Board of Trade, D. M. BRADBURY.
Milwaukee Chamber of Commerce, WILLIAM P. McLAREN.

Milwaukee Merchants' Association, H. H. CAMP.

Minneapolis Board of Trade, C. M. LORING.

New Haven Chamber of Commerce (Mr. SPERRY declined).

New York Board of Trade and Transportation, A. B. MILLER.

New York Chamber of Commerce, A. FOSTER HIGGINS.

Philadelphia Board of Trade, B. S. JANNEY, JR.

Portland, Oregon, Board of Trade, HENRY W. CORBETT.

San Francisco Chamber of Commerce, JOHN F. MILLER.

Trenton Board of Trade, JAMES BUCHANAN.

On motion of Mr. McLAREN, at 5.30 o'clock, P. M., the Board adjourned until 1 o'clock, P. M., to-morrow, Thursday, January 21, 1886.

SECOND DAY.

THURSDAY, JANUARY 21, 1886.

The Board was called to order at 1.30 P. M.

Mr. SNOW of New York moved to reconsider the action of the Board taken yesterday, whereby it adopted the resolution in connection with No. IV, on the official programme.

The motion was agreed to.

Mr. SNOW moved to strike out from the resolution in question the words "of over one thousand tons."

The motion was agreed to, and the resolution as altered was adopted by the Board.

On motion of Mr. How of Chicago, No. VI, Foreign Discrimination against Foreign Pork, was temporarily passed.

The SECRETARY: No. VII, Reciprocal Trade, proposed by the Baltimore Board of Trade, is next in order. The recommendation is as follows:

Reciprocity Treaties with the Cane Sugar Growing Countries of the World.

Mr. FRICK, of Baltimore: Of the many questions of commercial policy now claiming the consideration of our national legislation, there are few of paramount importance to that of *treaties*, so-called "*reciprocity treaties*," and as these have special relations to countries in which sugar is the principal product of the soil, and from which our supplies are mainly secured, paying twenty-nine per cent. of the tax revenue, I would beg permission to make a few remarks upon the subject, and ask for a recommendation that all treaties with cane-growing sugar countries be abolished, unless

sufficiently extended to ensure an ample supply of sugar and the full benefit of the duty remitted.

In his late message, referring to this subject, our President says :

“The operation of the commercial agreement with Spain, of January 2—February 13, 1884, has been found inadequate to the commercial needs of the United States and the Spanish Antilles, and the terms of the agreement are subjected to conflicting interpretations in those islands.

“Negotiations have been instituted at Madrid for a full treaty, not open to these objections ; and although a satisfactory termination is promised, I am compelled to delay its announcement.

“The lately concluded commercial treaty with Mexico still awaits the stipulated legislation to carry its provisions into effect.

“As this convention, so important to the commercial welfare of the two adjoining countries, has been constitutionally confirmed by the treaty-making branch, I express the hope that legislation needed to make it effective may not be long delayed.

“On taking office, I withdrew for re-examination the treaties signed with Spain and San Domingo, then pending before the Senate. The result has been to satisfy me of the inexpediency of entering into engagements of this character not covering the entire traffic.

“Moreover, embarrassing questions would have arisen under the favored-nation clauses of treaties with other nations.”

From which it would seem that such treaties are in the main desirable, but still open to some objections. Nevertheless they exist, and whilst some are being terminated, others are contemplated, and all upon terms of a truly non-reciprocal character.

The Hawaiian treaty, now in operation, but which the Senate proposes to terminate, has enriched the Sandwich Islands planter and placed a monopoly of fabulous proportions in the hands of the American refiner of California. And instead of a reduction of two (2) cents per pound (the average duty remitted), the consumer pays the duty-paid price for his sugar and gives to the Hawaiian people one dollar for every dollar of our products exported thither.

There is also the Mexican treaty, which has been ratified by the Senate, but is yet to be voted on by the House of Representatives.

If carried into effect it will develop an area for sugar culture that will attract planters from every quarter of the globe, to reap the benefit of the two cents bounty remitted on the tax.

This is apparently a scheme projected by purchasers of Mexican lands and Mexican railroad bonds, a treaty in which the essential features of reciprocity have been lost sight of. Even flour, the product of our most important staple, is, as I understand, not to be admitted free. Those who can establish refineries contiguous to the source of such supplies will reap untold advantages over their distant competitors.

Negotiations are still pending at Madrid for the consummation of the Spanish-Cuban treaty (modified, of course, in its provisions), which has been so exhaustively discussed already. And yet, from all of these countries an adequate supply of sugar cannot be secured, and the remission of the duty will amount to an actual bounty to the foreign producer, instead of affording the home consumer the relief that is sought for.

It is but just and reasonable, therefore, if sugar cannot be put upon the free list with coffee and tea (restricted if needs be, to No. 13 Dutch standard), that treaties strictly reciprocal should be effected with all the cane-sugar growing countries of the tropics, from which an ample supply of sugar would be sent to our ports, and the burden of a surplus revenue in a measure removed from the shoulders of an overtaxed community.

But the terms on which we are to achieve this much-desired object demand most careful consideration.

The present consumption of sugar in the United States is upwards of one million two hundred thousand tons, of which seven hundred thousand tons is imported from Cuba and Porto Rico. If these are admitted free, and without including the receipts from the Sandwich Islands, the additional five hundred thousand tons required is imported from other and duty-paying countries, it stands to reason that we will pay the duty-paid price for all sugars imported, virtually giving to the Spanish Islands, exempted, twenty-five million dollars per annum in the price to be paid; and, instead of furnishing cheap sugar to our people, we would simply tax them in another form.

This is evidently not the intent of a reciprocity treaty, and in addition to this it would bring absolute ruin upon the neighboring islands, whose commercial affinities are inseparable from this country.

If the same principles of reciprocity were extended to other *cane-growing countries*, from which an ample or over supply of sugar could be obtained, reduced by competition and increased production to the lowest possible price, *cheap sugar* and relief from the burden of *over-taxation* to the extent of forty-five million dollars would be secured.

In return for the advantages naturally accruing to those countries under such a system, their ports should be opened strictly free to every product of this country, with no export duty on their own. Should those ports be opened alike to other nations, we must take our chances in the struggle of competition; but it is natural to suppose that they would seek to derive a living revenue from duties imposed where no reciprocal advantages can be secured.

The tropical races are not a manufacturing people. They would send us their raw materials to be manufactured, and take back the products of our labor in every shape that life and luxury demand.

In our present relations with those countries, the bulk of our importations are paid for in money or bills of exchange, through the medium of European credits, upon which a banker's commission or toll is exacted. In other words, we pay the European manufacturer for what he sells to countries which send us their raw materials in return to be manufactured and consumed at home (provided there is not more than we need). Let our treaties be thoroughly and definitely reciprocal, and we will command the monopoly of those ports as completely as they will control ours.

Our products would enter those countries free, whilst those from Europe should continue to be r the burden of duties. If we require protection at home, how can we export without some privilege not accessible to our competitors? As it is, we have not sufficient markets for our produce.

It was once our boast that we would feed the world from our wheat-fields of the West. But now our overladen elevators stand paralyzed in the face of the spectre of cheap labor that is flooding England with grain from Australia and the East.

| | | | | |
|------------------|------|----|------|----------------|
| The India farmer | pays | 2 | cts. | for his sugar. |
| " English " | " | 3½ | " | " " |
| " American " | " | 7½ | " | " " |

Cuba, with whom we are now treating for reciprocity, has imposed a duty in form of the export of sugar in bags, that excludes

our coöperage to the extent of one million hogshead shoos with heads and sixteen million hoops, amounting formerly to three million dollars per annum, with a freight of three hundred and fifty thousand dollars. And still the ever restless and ingenious American will continue to produce, as if the ports of all creation were gaping wide to swallow up the fruits of his labor.

It is said that the special industry of Louisiana will be destroyed by the introduction of free sugar. Has not this proven to be an industry of forced and unnatural growth, costing beyond its value and necessitating a tax of one dollar per head per annum on every man, woman and child in this country to support it? Could not those lands be used as profitably in the production of cotton, rice or other products better suited to its soil and climate?

| Louisiana produced in | Hhds. of sugar. | Average duty on imported sugar. |
|--------------------------|--------------------|------------------------------------|
| 1823 | 30,000 | — |
| 1853 | 449,324 | .95 cts. |
| 1861 | 459,419 | — |
| 1867 | 37,647 | 3.04 cts. |
| 1881 | 122,982 | 2.46 cts. |
| 1884 | 170,431 | 1.95 cts. |

Showing a decline in the business, and the smallest production under the greatest protection.

This hot-house culture has made no progress, — indeed, it has declined, and temporarily, with the tobacco interests of Cuba, would at the offset bring hardship to a few. But those interests occupy too small a space in this great principle of commercial development to trammel its progress, and it is still an open question if they will not in the end be benefited. If not, far better compensate them for their losses.

But from no other cause would this special industry suffer more than from the action of the Mexican treaty. The rivalry of such a neighbor would bring certain disaster to the Louisiana sugar-planter.

It will again be said that this country can grow the beet-root and produce its own sugar. It is indeed a tempting argument that the production of one million two hundred thousand tons of sugar would utilize one million two hundred thousand acres of land and employ five million men, one-eleventh of our population, in its production. Who would not welcome the coming of such a day? But it is not here. Experience, education, knowl-

edge and expensive plant, are all to be acquired; years of toil and vicissitude are to be encountered before that haven of independence can be reached. But let us encourage the hope notwithstanding, and, in order to meet the views of those who claim that home industry should be protected, exclude the *beet-root* (the *bete-noir* of the sugar interest) from our markets by continuing the duty in some prohibitory form. Fostered under the bounty systems of Europe, it would flood our markets (if admitted free) at a price with which we could not possibly compete, sapping the foundation of every experimental effort to produce it.

It is the introduction of this new source of supply that has crippled the *cane-sugar production*, and when it is developed (if ever) in this country, it will in turn drive the *cane sugar* from our shores. It will need no protection from its rivals of the Antilles. With this new era, new expedients would arise, and reciprocity would seek a new form, or, having served its purpose, would become obsolete.

It is again urged that the introduction of free sugar, as high in color as No. 16 D. S., would fatally interfere with refining interests. Then confine it to No. 13.

It is again stated that reciprocity is special legislation, interfering with the necessary revision of the tariff. But are we prepared to revise the tariff? It is an intricate subject to grapple with, — too great, indeed, for a single session of Congress, aye, for many of them, or for commissions influenced by sectional feelings and pledged to special interests.

It had its growth in the atmosphere and temper of war times, and the hand of peace knows not where it first shall lay its grip. It has imbedded itself insidiously in the heart of every manufacturing industry, fostering a false dependence and self-indulgence that will be prostrated if the barrier of protection is too precipitately or injudiciously withdrawn. The most ardent *free trader* recognizes the necessity of a deliberate and thoughtful handling of this subject, and, above all things, let us separate it from the trammels of party issue.

In that vortex, it will long vibrate as a political foot-ball, driven to its goal only to be thrown again and again into the arena.

Special interests should be specially treated, and the great fabric of the tariff should be taken down, stone by stone, section by section.

Sugar need await no such process of deliberation. The inequality and injustice of the present tax is a stigma upon the name of legislation.

It has been relieved of the odious system of the D. S. color test, which brought great loss, indeed almost absolute ruin, to many. But the colors of the polariscope can also adapt themselves to the willing eye and the easy conscience; and for the cause of commercial morality alone, all such devices for revenue should be abolished.

Sugar comes from the Sandwich Islands free already, and will come the same from Mexico. Let it come free from all the *cane growing countries* that will export it without tax and admit our products free.

Coffee is admitted free and pays an export tax at home, and we have nothing in return. The same of tea.

Why, then, should not sugar be free, when we have the option of reciprocity, and can give our people cheap sugar to be paid for in kind from our surplus products?

It is again said, if surplus is our only embarrassment, it can be relieved by subsidies and cheap transportation. It would be only necessary to weigh the duties now imposed on our exports to those countries in the scale with cheap freights, to recognize that such a policy would be inaugurated for the benefit of the ship-builder alone, who would gain by this very system of monopolies, which it should be our purpose to wipe from our statutes?

The character of the reciprocity treaty is neither sectional nor political, free-trade nor protection; it is "*quid pro quo*," and in every essential a commercial question. If consigned to the political treadmill, the day of its consummation will be remote indeed. Nor is it one of sympathy, urged by the deplorable condition of those islands which are now asking for reciprocity. It is that condition only which urges the mother countries to open those ports, the exhausted contributors to their home luxury. They are compelled by necessity to make these concessions. We, by force of circumstances, can avail of them, to our great advantage, and yet with a liberal return to our less fortunate neighbors.

Such treaties should be reciprocal in spirit, as well as in form, looking to future advantage as well as immediate gain.

It is no argument that Cuba and Porto Rico export to this country forty-eight million five hundred thousand three hundred and

fifty-six dollars, and import ten million five hundred and seventy-five thousand three hundred and sixty-five dollars, whilst Mexico and San Domingo export to this country ten million seven hundred and twenty-eight thousand four hundred and forty dollars and import nine million three hundred and twenty-seven thousand four hundred and eighty-five dollars.

The great bulk of Cuban and Porto Rican exports are to this country, and importing so little in turn, they must procure their living materials in the main from Europe, all of which, by means of reciprocity, should be supplied from us.

Mexico, if admitted into reciprocal relations with this country, will at once grow sugar and turn the balance against us, as it is now with Cuba, unless we devise some means by which to force our products into her markets.

It is said that Mexico "is bound to us by a common interest in railroads, etc." Can we not be bound to Cuba and Porto Rico by our vessel interest? For what are those ocean subsidies that you are now recommending?

The entire traffic of the West Indies should be ours. It belongs to us by natural position. Then why not struggle for the whole instead of serving individual interests by special treaties? Let us create a market for our over-production with all of them, instead of sending them our money with which to pay the European workman.

It is said the Cuban laborer "consumes little, but produces largely." This is not nature's choice. Carry the usages of modern commerce into that benighted land, and the now famished and afflicted laborer will soon be an adept in the use of American luxuries.

It is said that "the duty we collect on their products acts as a tax upon their producers, hence their anxiety to be relieved from it." The Cuban planter gets the market value of the world for his sugar; he can get no more, and he needs to take no less. He stands equal with all nations, *save the favored few who enjoy the special gift of the remission of our tax.*

In a country like ours, covering an area stretching into almost every degree of climate, it is impossible that uniform laws can reach the requirements of every one, and protect all alike from hardship and injustice.

If, therefore, the ores, and other natural products of any of those

countries should conflict, to a material degree, with the similar resources of our own country, now protected, let us claim an exception in such cases, until time shall bring its cure.

It must be borne in mind that the extent of such instances can only be insignificant in comparison with the enormous volume of value and utility represented by the traffic in sugar; and it is not too much to say, that there is no nation of the tropics that would not gladly avail of its free admission into our ports upon almost any reasonable terms. Nor could any condition be regarded as unreasonable that opened our ports free to sugar.

In amount, that article alone would always equal, if not exceed, our exports to those countries from which it comes.

In conclusion, I beg to repeat that there is no source from which the overburdened taxpayer can so reasonably seek relief as from the remission of the duties on sugar.

Sugar imported in the fiscal year ending June 30, 1884, amounted to —

| | |
|--|---------------|
| Foreign sugar, | \$103,884,760 |
| Duty on the same, | 47,500,749 |
| Domestic sugar produced, (all kinds) | 43,922,169 |
| | <hr/> |
| | \$195,307,678 |

To which, adding cost of refining, &c., say two hundred million dollars, four dollars per head, equal to the consumption of wheat at five bushels per capita, increasing the cost to the country seventy million dollars; whilst the production at home is not equal to the duty paid on the imported sugar.

It is a tax that reaches every household in the land, at the rate of a dollar a head, without regard to circumstance. It is equal to the original value of the sugar, and doubles the cost of this universal necessity, — the *principal luxury*, as well as necessity of the poor.

It is a mode of tax in which favor can be shown, and in which the sordid susceptibilities of the unscrupulous can be tempted without fear of detection.

Sugar is the special factor in the inauguration of *reciprocity treaties*. Indeed, its vast importance as an article of daily consumption, renders in itself the obvious suggestion as to the expediency of some contract of exchange with the countries where it is produced. If, therefore, treaties should be, and must be, let

them be *strictly reciprocal*, and framed upon some broad principle of exchange, that for the remission of duties, we may have *cheap* sugar and a market for our home products.

I trust, therefore, Mr. President, that a recommendation will go from this Board to our Representatives in the Senate and House, advocating a system of *reciprocity treaties* with all tropical cane-sugar producing countries, to the end that a mutual exchange of the products of labor shall be established on strictly reciprocal principles.*

Resolved, That the National Board of Trade recommends Congress to enact a system of *Reciprocity Treaties* with all tropical cane-sugar-producing countries, to the end that a mutual exchange of the products of labor shall be established on strictly reciprocal principles.

MR. SPERRY, of New Haven: I want to show the object of the paper which has been read. As I understand, it takes in the whole field. It takes in all the sugar-growing countries. Last year, when this subject was up, we spoke of the treaty with the Sandwich Islands. It was shown that under that treaty the price of sugar in San Francisco, with the duty off, was precisely the same as the price of sugar in New York, or on the seaboard with the duty on. The gentleman speaks of general treaties. If the recommendation could be made broad enough to take in all the sugar-growing countries, then perhaps it might be truly reciprocal in its character; but this treaty which we have with the Sandwich

*The following are given as prominent articles of imports during the year, with their values and the percentage they bear to the total importation:

| Article. | Value. | Percentage. |
|--|--------------|-------------|
| Sugar and molasses..... | \$76,738,713 | 13.29 |
| Coffee..... | 46,723,318 | 8.09 |
| Wool and its manufactures. | 44,656,482 | 7.73 |
| Silk and its manufactures..... | 40,393,002 | 6.99 |
| Chemicals, dyes, drugs and medicines. | 35,070,816 | 6.07 |
| Iron and steel and their manufactures. | 34,563,689 | 5.98 |
| Flax, hemp, jute and their manufactures..... | 32,854,874 | 5.69 |
| Cotton and its manufactures..... | 28,152,001 | 4.88 |
| Hides and skins other than fur skins. | 20,586,443 | 3.56 |

Of the entire amount of duties collected, 70 per cent. was collected from the following articles of import:

| | Percentage. |
|---|-------------|
| Sugar and molasses..... | 29 |
| Wool and its manufactures..... | 15 |
| Silk and its manufactures..... | 8 |
| Iron and steel and their manufactures..... | 7 |
| Cotton manufactures..... | 6 |
| Flax, hemp and jute and their manufactures..... | |

Islands is simply used to create a monopoly, simply used for the purpose of protecting Mr. SPRECKELS in his operations. Outside of the general principles of protection or free trade, if we are ready to do away with our sugar-cane growing interests here, if we are willing to destroy the sorghum interest or the beet sugar interest, perhaps the action proposed will not be improper. At the same time you will see that it is contrary to the principle of protection to our own industries, which many members of this body maintain. I should like to ask the gentleman if the price of sugar in San Francisco today, duty free, is not precisely the same as the price of sugar in New York with the duty on.

Mr. FRICK: The Sandwich Islander gets the benefit of the duty.

Mr. SPERRY: Certainly he gets the benefit of the duty, and the people of our country do not.

Mr. CONKLING, of New York: Is that true as to all grades of sugar?

Mr. SPERRY: Substantially. There may be a difference of a cent or a cent and a half a pound.

Mr. THURBER: The New York Chamber of Commerce appointed a committee a year or more ago for the purpose of preparing and laying before that body, and the public generally, information bearing upon the subject of commercial treaties then being agitated. At that time the treaty which excited the most attention was the proposed treaty with Cuba and Porto Rico, which the Chamber voted, by a very large majority, was unreciprocal in its provisions and ought not to be approved. At the last meeting of the Chamber, on the 7th of January of the present year, a report was submitted, to which I would refer gentlemen present. The question is a very large one, Mr. President and gentlemen. On general principles I sympathize with very much that is contained in the address of Mr. FRICK; but the difficulty seems to be, in these treaties, to get the other side to consent to what we consider a reciprocal bargain. Most certainly never was such a gigantic swindle attempted upon the people of the United States as the Cuba and Porto Rico treaty. It seems to me that the resolution submitted by the New York Board of Trade and Transportation, touching this question of treaties, more nearly covers the ground

that it would be wise for this Board to take. That resolution is as follows :

Resolved, That we favor reciprocity treaties with the Dominion of Canada and the country of Mexico, provided that they be truly reciprocal in their provisions.

I would move to amend it so that it shall read in this way :

Resolved, That we favor reciprocity treaties with the Dominion of Canada and the republics of Mexico and San Domingo, provided that they be truly reciprocal in their provisions.

I offer that resolution as a substitute for the resolution offered by Mr. FRICK.

Mr. FRICK. With the permission of the Chair I will refer to one or two points, to which the gentleman has alluded. I think he overlooks the special point, in recommending treaties with San Domingo and Mexico, that these countries are still incapable of producing sufficient sugar to furnish us with all we require. Mexico will eventually be a very large sugar-producing country, but it will be many years before it will be able to produce enough to supply us with what we need ; consequently we should still remain in the difficulty in which we are now as regards the Hawaiian Government ; that is, that for the sugar which comes from there we pay the duty-paid price, and for all the sugar coming from the Hawaiian Islands and Mexico we should continue to pay the duty-paid price, because there would be no competition to bring the sugar down to the producing price. In other words, if we tax Cuba two cents a pound for the sugar she brings in here, the Hawaiian Islands and Mexico will send us their sugar at its value, plus the duty. Therefore we are really giving a bounty to those countries which produce the sugar. I will also state, with the permission of the Chair, that the gentleman omitted one point that I think very material. Of course every one agrees that the Cuban treaty was not such a treaty as was required. The President says "Negotiations have been instituted at Madrid for a treaty not open to these objections, and although a satisfactory termination is promised," that is, a termination of the treaty now under consideration in Madrid, "I am compelled to delay its announcement." There is, at this moment, a treaty under negotiation with Cuba which will have relation to this very point. Consequently it seems to me it is better for this Board to cover

the entire ground. As I remarked just now, the question of treaties does not simply consist in disposing of a Mexican treaty, a Canadian treaty or any other treaty; but if it applies to a sugar-growing country, which can send its product into this country and take advantage of the two cents duty which we charge to other countries, it simply is not fair. Let us put it upon this ground: That all countries growing sugar and sending it to this country shall share alike. I say, exclude the beet root sugar, because we know perfectly well, if it is brought into this country from France, Germany and Austria, how we shall stand.

Of course reciprocity treaties should be so framed as to give us as much as we give; but at the same time they can be reciprocal in spirit as well as in fact. These very countries to which we allude, Mexico and San Domingo, are now sending us an equal proportion of what they import and export. Cuba and Porto Rico do not, because they get all their supplies from England and Spain. But, if our ports were open to them and theirs were open to us, then our produce would naturally go to those islands. They belong to us, according to their natural position on the map. A question arises also as to the twenty-five million dollars paid to the poor laborers of Mexico who produce the sugar. The producer of Cuba does not pay that. It is the producer in our country who pays it. It is our producer who pays seven and a half cents for his sugar.

Mr. THURBER. You mean the consumer.

Mr. FRICK. No; the producer here, who pays the seven and a half cents. The Cuban only gets the original cost of the sugar. The duty put upon it is what our people here pay. It therefore would seem to me only right that if Cuba does not stand in exactly the same relation as Mexico and San Domingo, we should go on and create such relations as will place it in the same position.

Mr. THURBER. The main point, it seems to me, in this whole question is the ability of the countries that we make treaties with to give us a reciprocal trade. With Cuba and Porto Rico it is impossible, for the reason that they have only, all told, about two millions of population, and their people are principally a poor class of laborers. The estates are owned by planters, who were

once rich, but who have now become impoverished through the competition of the sugar-producing countries and their inability to place their sugar in this market without its paying such a heavy duty. They would be very glad to get rid of that tax upon their product, because unless the sugar of all the world, including the beet sugar, were admitted free of duty, they would certainly pocket a great portion of the amount that we now impose upon them in the way of duty. My point is this: That at present Mexico and San Domingo are not large sugar-producing countries, and that we should not be giving away much in making a treaty with them; but if their production should increase so largely as it might after a few years, we might want to exercise the terminating privilege. When I make a trade I like to have a fair trade. I want to get pretty nearly as much as I give. I may be able to give something the man wants more than what he has to give to me, and *vice versa*. But there must be some reasonable ratio of value between those things. You cannot get a man to give you a jack-knife for a clam shell; and yet that is about what Spain was trying to get from us for the concessions which it proposed to give to us. The figures show that San Domingo and Mexico are in a position to give us an equivalent for what we give them. I am willing to make reciprocity treaties with those countries. The same may be said of Canada. At the same time, I should not want to make a treaty with Canada on the basis of the fisheries deal. As I saw by the figures put forth in the Senate the other day, we gave her ten times as much as she gave us. All these things must depend upon the ability of the other side to give us a fair deal. I think the figures show that Mexico and San Domingo can do that; and while I have not the figures for the Dominion of Canada at hand, yet she is so closely related to us by location, and our previous trade relations were such, that there are evident advantages in that direction. I am willing to affirm the general principle of favoring reciprocity treaties if they be truly reciprocal; but I am not willing to declare, as by the terms of the resolution offered here, that we should encourage treaties by which the sugar of all sugar-producing countries shall come in free, because I am afraid such a resolution would be misunderstood and would be used to make a one-sided bargain like that the large interests that are behind the Cuban treaties are trying to make. It is well known that there are moneyed interests behind the Cuban treaty, which are

pushing it with all the skill and vigor which money and brains can command. I do not think we should have twenty-five million dollars taken out of the pockets of the tax-payers in that way. I think we might better take it out by removing internal revenue taxation and giving the public the benefit of it.

Mr. HENRY, of New York: Mr. President, if the resolution of our friend from Baltimore prevails, it 'will simply wipe out the sugar industry of this country; and inasmuch as we have not on this floor at the present time (and I regret very much that we have not) anybody from the sugar-producing section to stand up for that industry, I think it is our duty to do so as far as we can, in the interest of the nation at large. This measure that comes from the New York Board of Trade and Transportation, with the amendment that has been proposed by Mr. THURBER including San Domingo, is a compromise between the extreme free trade views of our friend from Baltimore and the views of some people who would not make treaties with any nations whatever, on any subject. It is a fair compromise. It is a compromise in favor of those nations which have taken from us about the same as they have given to us. I refer, of course, to Mexico and San Domingo. I hope the resolution, as it comes from the New York Board of Trade and Transportation, and has been amended, will prevail here, and I believe it will. I do not think we are ready at this time to wipe out the great sugar industry of the United States; and I am satisfied if we were ready to do so that Congress would not listen to us one moment. I am satisfied that the sentiment of this country today is in favor of protection to American labor and American capital. While it is possible that the sugar interest has had too strong a protection, this measure would be, as I said before, in the nature of a compromise, and would give us our sugar undoubtedly at the lowest figure. As has been stated, the treaty with the Hawaiian Islands is wholly on one side. It simply permits the sugar from those Islands to come in here free of duty, while nobody in this country has been benefited except the little body on the Pacific Coast that has had the monopoly of those sugars. I do not even think it has benefited the Hawaiian Islands to a very great extent. They have not got much more for their sugar than they had before; and certainly, as has been stated, and as I know to be the fact, sugar is just as high in Portland, Oregon, and just

as high in San Francisco, as it is on this coast, and I think it is even higher to the retailer. As to the treaties with Canada and San Domingo, we propose to put in a saving clause, "Provided they be truly reciprocal." We cannot at present make a reciprocal treaty with Cuba. She is willing to give us everything that she produces, but she is not in condition to take anything from us. She has not a population suited to the consumption of what we could give her. A large part of the population of Cuba consists of slaves.

Mr. GANO, of Cincinnati: Allow me to ask the gentleman a question. I ask it seriously, for information. If we send them money instead of shoes and cloth and ploughs, what will they do with the money?

Mr. HENRY: I want to say to the gentleman that, if we make a treaty with Mexico, we shall not send money to Cuba. We shall get sugar enough outside; and if they have not anything to sell but sugar, they will have to sell their sugar to the countries that are able to take it and the countries that they buy from. As was said here, when the shipping question was under consideration, unfortunately Cuba has a great deal of direct trade with Europe. She takes from Spain, from Great Britain and from France, the machinery, the perfumery, the medicine, and nearly everything that she needs. She takes very little from us.

Mr. GANO: If we had a reciprocity treaty would she not take these things from us?

Mr. HENRY: Mexico, on the contrary, has a population very much like our own. She has a population that will consume largely the products of this country. She has done so, and is doing it today. As shown by the figures, even now, without any reciprocity treaty, she takes from us about the same as we give to her. Therefore, a reciprocity treaty with her would be truly reciprocal. I ask that this National Board of Trade adopt resolutions in favor of the general principle of reciprocity treaties with these three countries, provided they be truly reciprocal in their provisions.

Mr. FRICK: If the Cubans import forty-two million dollars, they must pay for it in something. Whatever they import, something must be exchanged for it. Where does it come from? I contend, that, if the Cubans import forty-two million dollars, it is

just as easy, by creating reciprocal relations with that country, to send them forty-two million dollars from this country as from any other. I would cite an instance: Some years ago there was a tax of three cents a pound on coffee from the Brazils. Our exports from the Brazils amounted to forty-three million dollars. The duty of three cents a pound was taken off. The price of coffee did not change a fraction of a cent. Brazil put an export tax on it in the place of the import tax which we took off. Since then we have exported to Brazil flour and lard, and nothing else. Everything else that goes there, from a beer bottle to a bedstead, goes from England and from the continent of Europe. We send nothing.

Mr. HENRY: The reason was stated in the discussion we had here yesterday about shipping. We have no direct line of steamers to Brazil. They have several lines to Europe; but the tax is so heavy if you send goods by way of Liverpool, with all the restrictions, red tape and custom-house trouble, that they prefer to take the chances of getting a poorer axe, a poorer scythe, or a poorer hay-cutter from Great Britain or the continent of Europe, than to attempt to deal with us. Besides, in Brazil they speak the Portuguese language. All other things being equal, they are more apt to send their orders to European countries, to Portugal or Spain, or even to France, than to this country. I think there is no doubt that if we had a line of ocean steamers to the large cities of Brazil we should have part of that trade, however, even now.

Mr. THOMPSON, of Baltimore: I want to disclaim the charge of my friend from New York, that the delegates from Baltimore are free traders. We are among the oldest members of this body, and I do not think the record shows us to have ever taken that position. We have a position that we are always glad to enunciate, because we hold it very firmly. We claim that there is no power under the Constitution by which this Government has the right to exact from the hard earnings of its people one dollar more than is required for its support, and that any protection more than is incidental to the revenue to be raised, is an unjust tax upon the people. There is something due to this sugar question. If the gentlemen will refer to the tariff acts, they will find that in the year 1874 a free breakfast table was offered to the people, and the duty on tea and coffee was taken off. That act of remission of duty on tea and coffee had not been in existence more than a year

when it was thought the revenue could not bear it, and by the Act of Congress of 1875, twenty-five per cent. was put on sugar to make it up. The free breakfast table, so far as the country was concerned, was a pious fraud. Take a family of seven persons, two adults and five children. The two adults will consume tea and coffee, but the whole seven will consume sugar; so I do not see where the free breakfast table comes in.

Mr. EVERSOLE, of Cincinnati: I should like to ask a question. It was stated that the small imports to Cuba, which now come from our country, would be changed to large imports of articles now purchased on the continent of Europe, if this treaty were carried out as it is proposed. Has the gentleman the figures to show the amount of imports into Cuba from England, France and other European countries?

Mr. FRICK: I have only gone by the figures that are here. We are dealing with a great principle. The sugar consumption of this country is two hundred million dollars a year, and we are paying forty-seven million dollars duty on it. Louisiana produces forty-three million dollars, which is actually less than the amount of the duty we are paying upon the entire consumption of the country. This is an oppression. As my friend from Baltimore has stated, if there is a surplus revenue, let us get rid of it by remitting the duty on sugar, and let us say to all those countries who will give us free ports for our produce, "our ports are free to you."

Mr. McLAREN: I offer an amendment to the amendment submitted by Mr. THURBER, as follows:

Resolved, That we favor reciprocity treaties with such countries as afford favorable conditions for a mutual development of trade, provided treaties can be negotiated that are truly reciprocal in their provisions.

That relates to all countries. I offer this amendment largely because I am not quite clear on this question as to Cuba and some of the other countries involved. Some of the gentlemen have studied this subject a great deal more than I have, although I have given a good deal of attention to it, and have some interest in the question. But are we prepared to discuss the whole question? There are other countries not embraced in the amendment offered by Mr. THURBER, as to which it might be to our interest to negotiate reciprocal treaties. I offer this amendment in order that our

action shall have a broad character, and in order that we may recommend the negotiation of reciprocal treaties with all countries that offer the proper conditions and inducements for reciprocal trade.

The PRESIDENT: Will Mr. THURBER accept this amendment?

Mr. THURBER: I do not like the amendment, because it affords such a wide scope for sophistry in estimating advantages. When the Hawaiian Treaty was carried through, there was put in, as one of the advantages we were to receive, the extension of American influence in the Pacific. That was simply a blind, for the benefit of Mr. CLAUS SPRECKELS. We shall find the same blind played upon us in this treaty business with Cuba. I should like to confine the resolution to those countries that are in a position to afford us reciprocal advantages. When we express an opinion upon Canada and upon Mexico and upon San Domingo, we do it knowing that these are three countries in a position to offer us reciprocal advantages. If we extend our action so as to embrace all countries, we do not have the opportunity of judging whether or not they have reciprocal advantages. I would like to have the opportunity of inquiring into the matter in each case. Canada, Mexico and San Domingo can reasonably be said to be in a position to offer us reciprocal advantages.

The amendment to the amendment, submitted by Mr. McLAREN, was lost.

The amendment proposed by Mr. THURBER was agreed to, and the resolution as amended was adopted.

Mr. THOMPSON, of Baltimore: I desire to read a telegram I have just received from Baltimore, on a subject on which the Board does not seem to possess information, and which I should like my friend from New York, Mr. HENRY, to hear. This telegram comes from a Baltimore house that has recently established a branch in the city of Rio, and it is the only American house in Rio today:

Baltimore owns some twenty-one or two vessels engaged in the Rio trade, some of which, recently built, are quite large, with annual capacity of over four hundred thousand bags. No steamer clears from Baltimore, but regular mail line stops monthly at Newport News.

The SECRETARY: The next subject on the official programme is

Subject IX, Reciprocity with Canada, submitted by the Detroit Board of Trade, with the following suggestion :

The importance of renewing reciprocal trade relations with Canada.

Mr. PARSONS, of Detroit : The Board of Trade of Detroit is satisfied that the action just taken embraces this proposition, and does not ask that it be further considered.

The SECRETARY : Proposition X, the Retirement of the Greenback Currency, submitted by the Detroit Board of Trade, is next upon the programme, with the following inquiry :

Has not the time arrived when the commercial classes should consider the question of the withdrawal of the legal tender currency issued as a necessity of war, and inquire whether its presence in the channels of trade is not a hindrance to progress, and a direct menace to the best prosperity of the country, inviting to speculation by an unnatural and unwise flow of money not based on industrial requirements ?

Mr. PARSONS : I will ask that consideration of this proposition be delayed for the present. The object of the Detroit Board of Trade was simply to get it before the National Board for consideration.

It was laid on the table, and subsequently referred to the Executive Council.

The SECRETARY : The next two propositions seem to go together, and I will read them both. They are Propositions XI, Silver Coinage, submitted by the Philadelphia Board of Trade, and XII, the Standard Silver Dollar, submitted by the New York Board of Trade and Transportation :

XI. Whereas, the 412½ grain silver dollar, known as the Bland dollar, cannot be put into general circulation, and

Whereas, its actual value is below its legal tender value of 100 cents ; therefore,

Resolved, That Congress be requested to repeal the law compelling its continued coinage.

Resolved, That the compulsory coinage of the standard silver dollar should be suspended, and that the coinage of silver dollars be resumed only when demanded by the general interests of the country, or when silver shall be restored as good money through its interchangeability and equality with gold before the law among the leading commercial nations.

The PRESIDENT: I was about to suggest to my colleagues from Philadelphia that perhaps the New York proposition covers the ground more completely than that from Philadelphia.

Mr. NELSON, of Chicago: I move that the proposition from the New York Board of Trade and Transportation be adopted without debate.

The motion of Mr. NELSON was seconded, and was unanimously adopted, amid applause.

The SECRETARY: The next two subjects on the official programme are similar, and should be considered together. They are as follows: XIII, Harbor Defence, submitted by the Minneapolis Board of Trade, with the following resolution:

Resolved, That the defences of the sea-coast cities of the United States demand, and should receive, the immediate attention of Congress.

XIV, Harbor Defence, submitted by the Chicago Board of Trade, with the following resolution:

Resolved. That Congress should, at the earliest possible moment, make the necessary appropriation to put in a proper condition of defence the lake and sea-coast harbors of the United States.

Mr. LORING, of Minneapolis: I can only say that the members of our Board of Trade, living as we do so near the centre of the continent, feel that it is for the interest of the whole nation that the coast should be defended; and we ask the passage of the resolution.

Mr. HIGGINS, of New York: I deem it only proper to return the thanks of New York for this very kind feeling on the part of our friends from the interior. It is particularly gratifying to us that our defenceless position should have struck them in the same manner as that in which it has long impressed us. I do not think any of you can be aware of the utterly helpless position in which our sea-coast is at this moment. It was my duty to investigate that subject, and I found that there would not be the slightest difficulty for a foreign fleet to approach the harbor of New York, and, being impregnable in itself, bombard us and extort from us almost any amount that it might choose to demand for indemnity. It would be possible for the little power of Chili today to send an iron-clad, and to do that very thing. Recently in talking with

General NEWTON upon this subject, I told him there was a prevalent impression that the industry of our people and their ingenuity would enable them, by means of torpedoes and otherwise, to protect our harbors. He told me that might possibly be the case, but that at this moment we have neither the torpedoes nor the materials out of which to make them. This condition of things needs no comment. Even that insignificant means of defence is denied to us. The United States has treated the whole matter with the utmost indifference, and as if there were not the danger which I think every sensible man feels to exist.

Mr. EVERSOLE: I should like to ask if anything has been done in that direction?

Mr. HIGGINS: Nothing, except our petition to Congress.

Mr. DORE, of Chicago: The Minneapolis Board of Trade appears to be more exercised about this matter than the seaboard cities, because there is no recommendation of that kind from any seaboard city.

Mr. HIGGINS: You are mistaken. The Chamber of Commerce of New York has made the most earnest petitions.

Mr. DORE: They are not on this programme.

Mr. HIGGINS: No, sir.

Mr. DORE: I notice that the Chicago Board of Trade has come in with a resolution that Congress should, at the earliest possible moment, make the necessary appropriation to put in a proper condition of defence the lake and sea-coast harbors of the United States. That resolution was very carefully drawn. It is true that it assumes that appropriations are necessary, but it only asks that the defences be put in a proper condition. If they are not in a proper condition I do not see how anybody can afford to vote against it. I do not propose to vote against it. But, Mr. President and gentlemen, I do not think the United States is in any great danger from any offensive measures on the part of Canada. I do not believe the United States is in any great danger from an attack by Mexico or the Central American States, neither do I believe we are in any great danger on the west from China or Japan. The only remaining question is, are we in any great danger from any of the great powers of Europe? I do not know.

Mr. HENRY: To ask the question is to answer it. We are.

Mr. DORE: Let us see whether we are or not. That is the question. No nation of Europe has the least confidence in any of its neighbors. No nation there views any other nation in Europe as any better than a thief and a robber. They dare not trust one another over night. There has been a proposition before the British Parliament to make a tunnel under the English Channel. England vetoes the measure. Why? Because it is afraid France will come over some dark night and take possession of the Island. It is a fact. No nation in Europe dares to spare any considerable part of its force to go abroad and make an attack. Nevertheless I understand, and I suppose everybody does, that the ornamental stone fortifications that now adorn the harbors of the Atlantic Coast are not adequate to the emergencies that may arise under the modern system of warfare. If I am properly informed upon the subject, and if there are modern guns carrying balls weighing from a ton to a ton and a half each, a man could not be in a more dangerous position than in a rock fort. Hence, I suppose, the best defences in the world consist of earthworks and torpedoes. This resolution does not call for any extravagant appropriation, but it does ask that such appropriations be made as the necessities of the case seem to require. Hence, I am for it, and move the passage of the resolution.

Mr. MILLER, of New York: This subject has been treated very lightly, considering its grave importance. It was no less a personage than General WASHINGTON, who said in his farewell address to the people of the United States,—an everlasting monument, which stands today as true in every line as holy writ—“In time of peace I admonish you to prepare for war.” Gentlemen, we are at peace today, and as my friend from Chicago says, there appears to be no danger of a disturbance of that peace. But there may soon be a little cloud, no bigger than a man’s hand. The sun shines, and there is no apprehension on the part of anybody, but in a very short time the cloud may develop into a hurricane of devastating force. The condition that we are in today is one that provokes attacks. There is scarcely a maritime nation upon the face of the earth that is our inferior in strength. Even Japan and China have a superior naval force to our own, and any one of their best ships could enter, today, any port in the United States, in the absence

of torpedoes, and destroy more property in a single night than it would take to purchase the combined mercantile and naval armaments and fleets of the globe. Gentlemen, that is the situation you have got to face. It is a matter of notoriety in the foreign journals that the United States has no maritime protection whatever. Therefore a resolution like that which has been presented by the gentlemen who are farthest removed from personal danger, is one that entitles them to the highest commendation. Had it been presented by Philadelphia, Boston, Baltimore, New Orleans, San Francisco, Portland, or any of the maritime ports, it might have been considered in some degree a matter of selfishness; but, as it is, it shows that the whole country is bound up in one common tie and union, and that the necessity for our national preservation is everywhere urgently felt. Therefore I trust the resolution may be adopted.

Mr. LORING: I will ask the withdrawal of the resolution offered by the Minneapolis Board of Trade, and will second the adoption of the resolution offered by the Chicago Board of Trade. I do so because it is more comprehensive, and embraces the lake as well as the sea coast.

Thereupon No. XIII, submitted by the Minneapolis Board of Trade, was withdrawn, and the resolution in connection with No. XIV was adopted.

The SECRETARY: Next on the programme is No. XV, Federal Jurisdiction over Navigable Waters, submitted by the Philadelphia Board of Trade, with the following resolution:

Resolved, That Congress be urgently solicited to define the jurisdiction of the United States Government over the navigable waters of the country.

Mr. NELSON, of Chicago: I move the adoption of that resolution.

Mr. SAMPSON, of Boston. I should be glad to have some gentleman from Philadelphia explain the resolution, so that we can understand its full scope and meaning.

The PRESIDENT: I will state briefly the views of the Philadelphia Board of Trade on this subject. The matter was introduced to the National Board of Trade, I think, at the session of 1877, shortly after Mr. HAYES took his seat as President of the United

States. In an interview we had with him, this question was presented, and it struck him and Mr. EVARTS, who was then Secretary of State, very favorably. A resolution adopted by this Board, in reference to the matter, was sent to Congress, and was referred to the Committee on Commerce. A sub-committee of one from that committee was appointed to take charge of the subject, and he wrote to Philadelphia to know exactly what was wanted. A bill was carefully prepared, asking that surveys of the navigable waters of the United States be made under the authority of the War Department, by the Engineer Corps; and after the surveys had been made and plotted, indicating the safety lines for the projection of walls into the streams, and also, those projections beyond the safety lines which existed, it was provided that those plots should be presented to the local authorities that would be affected by any changes of the lines, and to the State Governments controlling the territory embraced by the waters to be affected by these safety lines, so that if objections were made to their adoption, either by the municipal authorities concerned, or by the State authorities concerned, a proper hearing should be had by the Circuit Court of the United States before any determination of such lines should be adopted, so as to preserve, as far as possible, the State and municipal control over the navigable waters. The bill also contained a provision for the speedy removal of wrecks obstructing the navigation of the waters of the country. This bill was accepted by the Commerce Committee of that date, but it was not reached, and since that time the obstructions to the navigable waters of the United States have continued and become very numerous in some of the cities, absolutely threatening the safety of navigation itself. It seems to the Philadelphia Board of Trade that it would be well to revive this matter which has now been slumbering for seven or eight years, and to try to obtain a definition of the rights and duties of the United States over these navigable waters, so that obstructions may be prevented and those that already exist may be removed. In the case of existing obstructions, which have come under color of right or by long occupation, if any damage were properly payable for the removal of those obstructions, provision should be made for their removal. There is now in Philadelphia a sort of conflict of jurisdiction between the State of New Jersey and the United States in regard to the improvement of the navigation of the Delaware River. The

officers of the United States in charge of the improvements of the river, in which we think the State of New Jersey is equally interested with the State of Pennsylvania, have arranged for a structure to deflect the waters of the Delaware, which impinge at a certain point upon the shores of New Jersey, and turn the direction of the current towards the Philadelphia side of the river, so as to remove the bars and obstructions which are gradually growing up there and impeding navigation. The New Jersey people contend that neither the United States nor any other power ought to interfere with that river, although it is the boundary between the two States. In other parts of the United States, notably, I believe, on the Ohio River, at certain points obstructions are being gradually projected into the river. A desire to acquire riparian rights and occupy the coasts of bays and rivers prevails naturally; but if people are allowed to gratify their greed in that way, commerce will be obstructed, and there will be danger, not only to life, but to property. The only power that can provide an adequate remedy for such obstructions is the Congress of the United States. It has seemed to the Philadelphia Board of Trade that the time has come for the renewal of the application to Congress, and submission of the matter generally, to the Committee on Commerce, which, of course, would be the committee to which the subject would be referred; and if they ask for the preparation of a bill, we will endeavor to bring one before it, and to present the subject in such shape as experience may have suggested.

Mr. CORBETT, of Portland, Oregon: This question has come before our Board of Trade; it had occurred to me that it was a subject that required the attention of the National Board of Trade, and I had prepared a resolution. The resolution before us does not seem to me to comprehend enough, or to express the importance of this matter; it seems to be a little indefinite. If, however, it is sufficiently definite to express the views of the Board, I certainly have no objection to its adoption. We have recently had some difficulties in our harbor with regard to the building and extension of wharves into the channel or stream, thereby obstructing shipping and narrowing the river to such an extent that there is danger of overflow at a point above the obstructions. There seems to be a conflict of authority there, also. The city of Portland is situated on one side of the river, and the city of East

Portland on the other. The city of East Portland, I believe, has extended its line too near the centre of the river. Portland has no definite line, except one established by the Engineer Department, perhaps without any authority except as a proper line beyond which no wharves or improvements should be built. Recently, since this line was established, parties owning the banks of the river have extended the wharves beyond the line marked by the United States engineers, and the matter was brought before the Legislature, but nothing was done about it. It seems to me it is an important matter, and one on which the National Congress should take action; there should be legislation as to all waters over which it has jurisdiction, over all the navigable waters where it has power to establish and regulate bridging, and where it may exercise the power through the Engineer Department to define what kind of bridges shall be erected. People are interested in extending wharves and increasing wharf facilities for their own especial benefit. I have prepared a resolution for which I do not claim that it fully covers the ground, and which, perhaps, would not be necessary if the resolution formerly prepared were before us. I will offer it for the consideration of the Board, and if it seems best to adopt it as a substitute for the other, it can be done:

Whereas, Encroachments are constantly being made upon the navigable waters and harbors of the United States by the deposit of ballast and other material, therein, and by the construction of wharves, and other works, beyond proper limits, so as to materially interfere with navigation and harbor facilities, therefore be it

Resolved, That the National Board of Trade most respectfully recommend the enactment of a law by Congress, authorizing the Secretary of War through the Engineer Department, to define the harbor limits, and the lines of limits of the navigable water-courses within the jurisdiction of the United States, and within which lines and limits, obstructions shall not be permitted.

Mr. HOLTON: "And that such as do exist, be removed."

Mr. CORBETT: I will add that.

Mr. COVINGTON: I would like to add this:

And determine the rights of riparian owners when in conflict with the safe navigation of the waters.

We are now getting a system of lights upon the Western rivers that has been one of the most valuable aids to the navigation of those rivers. I undertake to say that there has been no money expended in the improvement of the Western rivers that begins to

count in value to the extent of that expended in the lighting of them. There is some difficulty, and there is getting to be more and more difficulty, upon the rivers about the establishment of lights. The owners of land find it is absolutely necessary that lights be established upon their ground, and they are excessive in their demands for attending to those lights. No person else can be permitted to go upon their ground to care for the lights, and the lighthouse inspector is compelled to employ the owner because nobody else can go upon the ground. There is another point. Upon the borders of our rivers the willows and the cotton wood are growing up pretty rapidly, and they frequently obstruct the lights. It is necessary at some of the places where the channel is permanently fixed that these trees shall be removed. The owner of the land will not permit anything of that kind to be done, and oftentimes the very valuable service that it is proposed to render to navigation in establishing lights, is defeated by the exercise of the right of ownership of the land upon which the lights have been planted.

There is another point. A system of ice defences is being carried out or proposed upon the Ohio River. It consists of the building of cribs along the shores by the interlocking of logs. These cribs are built to protect the boats that may take shelter below them. They are very admirable defences as against ice, and are of very great service. The engineer cannot go upon the land in person to build a crib without the consent of the owner. He has no authority to purchase the land. He cannot condemn it. There must be something done or the whole system of ice protection upon the Western rivers that are subject to ice will be defeated. I know there is a difficulty in the way. I know it has been suggested that such questions must be left to the courts; but if we have to wait without Congressional action, for every case where a crib is to be built or a light is to be established, for aids to navigation on the Western rivers, we shall never get anything done. Congressional action within the Constitution will remedy all these defects, and give us aids to navigation that will be of unquestionable service to the Western rivers.

Allow me to say in addition, that I was glad to hear the reference to the encroachments made on the Ohio River by the filling in of the land. In our own city I think I can name two or three places where acres have been reclaimed or built out at the expense

of the people on the opposite shore. Indeed I think we have two or three coal-yards in our city that are built where the Ohio River once flowed. This practice works a very serious injury. It imposes upon the people on the Kentucky shore who are defenceless against it. It is all wrong and ought to receive Congressional attention. Nor is that the only objection to it. It changes the channels. It interferes with the safe navigation of the rivers. A good many of our people believe it contributed largely to some of the disastrous floods we had two or three years ago. I do not know that I should be willing to go so far as that. I do not think it contributed very largely to those floods, although it did narrow the place for the water to flow out between the banks of the river; but it perhaps contributed in some measure to that very great distress. I hope my addition to the resolution may be taken into consideration.

Mr. CORBETT: I do not know that I have any objection to its incorporation into the resolution, if it is thought wise to do so.

Mr. DOLPH: It may be deemed presumptuous for me, having just come in and not having heard the previous debate, to attempt to discuss this matter or to make any suggestion concerning it; but perhaps the Board would like to know the status of proposed legislation upon this subject. Although a new member of the Senate, I introduced a bill during the last Congress in the Senate, which has received the approval of the Secretary of War and the Chief of Engineers, to prevent obstructions to navigable rivers. It reaches the question of bridges, of piers, of wharves, of dumping ballast and refuse material into the rivers and harbors, and it also protects from injury and damage by trespass works which the Government is constructing for the purpose of improving the navigation of rivers and harbors. I think it will be found to cover about all that is desired by this Board. I regret exceedingly I had not observed that there was such a topic for consideration at this meeting. If I had, I would have presented the bill, and the Board might have directed their recommendation to the bill introduced by myself. I should have said that I have re-introduced the bill at the present session of Congress; it has been referred to the Committee on Commerce, of which I am a member, and by that committee referred to a sub-committee of which I am also a member. It will undoubtedly be reported upon favorably, and I hope will receive early and favorable action by the Senate.

So far as the rights of riparian owners are concerned, they must be left to the courts. There might be a law of Congress which would authorize condemnation of private property for the purpose of lights, for the purpose of ice-piers, and for other purposes of navigation; but of course we cannot by legislation deprive property of its vested rights. The riparian owner ordinarily owns the property to high water mark. In navigable streams it is generally held that the State, by virtue of its sovereignty, owns the bed of the stream; and where the tide ebbs and flows, the courts also hold that each State, by virtue of its sovereignty, owns the land which is covered and uncovered by the ebb and flow of the ordinary tides, and they have gone so far as to hold that before the State is admitted into the Union, the United States holds in trust for the future State the title to such tide-lands. So I apprehend it would not be competent for Congress to undertake to deprive property of its vested rights.

MR. COVINGTON: Do not understand me as asking that at all. If I stated it in that way, I certainly did not make myself clear. I simply asked for legislation that would enable the prompt condemnation of land whenever it is necessary.

MR. DOLPH: I think I understood the gentleman. I do not suppose it would be competent for Congress to undertake to provide by law that the United States shall enter, without provision for condemnation, upon private property and appropriate it for public purposes; but there might be a general law which would authorize the Chief of Engineers or the proper officers of the Government, under the direction of the Chief of Engineers, to institute proceedings to condemn the necessary site for a light or for an ice-pier. I think well of that suggestion. If this matter is not finally disposed of until tomorrow morning, I shall take pleasure in submitting a copy of the bill which has been introduced by me and which I hope covers the ground.

On motion of Mr. THURBER, further consideration of the subject was made the special order for tomorrow at 12 o'clock.

MR. THURBER: If there is no objection, I should be glad to have the Board consider, out of its regular order, Nos. XVIII and

XIX. Mr. SUPPLEE, of Baltimore, who is to speak to the Board on this subject, is obliged to go away shortly.

There being no objection, the SECRETARY read Nos. XVIII and XIX, Exactions on Commercial Travellers, submitted by the New York Board of Trade and Transportation and the Philadelphia Board of Trade respectively, with the following resolutions :

XVIII. Whereas, The Supreme Court of the United States has declared unconstitutional the laws of the several States and territories under which taxes or licenses are imposed on commercial travellers travelling from one State or territory to another; and,

Whereas, Notwithstanding said decision, the said States and territories continue to exact or permit the towns or villages within their limits to exact licenses, to arrest, and in other ways annoy citizens of other States or territories selling goods therein; therefore,

Resolved, That it is the duty of Congress to enact such a law as shall preserve the rights contemplated by the Constitution among the citizens of the several States and territories.

XIX. Whereas, The Supreme Court of the United States has declared the laws existing in several States, which impose a tax upon commercial travellers coming from other States, to be unconstitutional; therefore,

Resolved, That Congress be requested to pass a law that will prevent such discriminations between the States.

Mr. HENRY, of New York. I want to say that this matter is more important to merchants than at first sight would suppose. There are two hundred and fifty thousand commercial travellers in the United States, and it is estimated that they now sell two-thirds of all the merchandise sold in the country, so that the matter is of great magnitude. I should be glad to say what I have to say now, but I will give way to my friend from Baltimore, because he must soon take a train for that city.

Mr. SUPPLEE, of Baltimore: I think the New York resolution covers the ground, without the Philadelphia resolution; and there is a resolution in addition which I will ask permission to introduce presently. I was one of a committee that went before the Senate Committee on Commerce the other day, concerning the bill introduced there by Senator PLATT of Connecticut. We also called upon Representative JAMES of New York. I was favored with another interview with Mr. JAMES this morning, and he would take

it as a personal compliment if the National Board should mention his bill in their action today. The impression among merchants is that the recent Michigan decision has settled the matter, but the fact is, it has added nothing to it. The same ground had been traversed in the State of Maryland, with substantially the same result. If you ask me as a lawyer, and I am not one, what the effect would be to pass a bill in Congress to prevent the States from making these exactions, I should say it would simply be a moral effect. We in the South are cursed with legislation favoring these exactions. I believe Baltimore is farther south than any other city represented on this floor. We have in our city several thousand commercial travellers. They traverse fourteen States cursed with these licenses. You of the West and North have long since outgrown these troubles, and can talk to us from experience. We are still in the swaddling clothes of this taxation, and therefore we appeal to you today for relief. As a question of money, the firm of which I am a member pays out several thousand dollars a year for these taxes. If we send a man from Baltimore to go through the South we have to pay over a thousand dollars in annual licenses for him. We pay two hundred dollars in this District, seventy-five dollars in Virginia, one hundred dollars in North Carolina, fifty dollars in one city in South Carolina, and so on. The entire list is here before me. We pay from two dollars a day to ten dollars a day in various localities. The effect of the legislation we hope for will be to stop this species of semi-legal blackmail. There are places in the South where a man will arrest you and you will be fined ten dollars, half of which goes to the informer. Indeed, in one city all of it goes to the informer. This hampers our travellers. It teaches young men evasions. It leads them to cheat the State. After you have cheated the State you will try to cheat the Government, and the next step will be to cheat your creditors. We appeal to you to teach us good morals by getting us out of this difficulty. This question has a great deal in it. The Commercial Travellers' Association, representing very many millions, have presented to Congress a valuable memorial on this subject. We should like to have some bill passed by this Congress. The bill introduced by the Senator has a provision that offenders may be put in a county jail. The Senate of the United States has no jurisdiction over county jails at present. It had during the war, but it has not now. The consequence is, Senator

EVARTS says that part of it is unconstitutional. The bill of Representative JAMES is a brief one. It is to the effect that in this District, where Congress has ample jurisdiction, the law shall be changed. If we could endorse both these bills, holding up the hands of Senator PLATT at one end of the Capitol, and Representative JAMES at the other, we should probably reach the result desired. To show you how these laws are evaded, and how the States keep within the Constitution, in the State of North Carolina, last year, six hundred and eighty-six commercial travellers paid one hundred dollars each, a total of sixty-eight thousand six hundred dollars. This is taxation wrung from those who are engaged in the jobbing business out of the State. When a resident goes to pay his taxes, he having paid this hundred dollars and having a receipt for the same, that receipt is good for one hundred dollars in payment for his taxes. In other words, he does not pay for the license at all. It is a mere subterfuge. These bills may not reach it, but we think they will frighten the people into honesty after awhile. I propose the following additional resolution :

Resolved, That we recommend and endorse the bills introduced by Senator PLATT, of Connecticut, in the Senate, and Representative JAMES, of New York, in the House, and urge the passage of a law embodying the provisions of these bills to afford relief from onerous and unconstitutional exactions.

The PRESIDENT : MR. SPERRY had some conversation with me before the Board was called to order this afternoon in regard to the embarrassment which members of Congress feel when we adopt the text of a bill that is before them. They say that an expression of opinion as to the details of a measure, prevents them from accepting our recommendations as of much value, as all bills need to be carefully considered in detail, and often to be modified from the form in which they are originally presented. It would, therefore, be better to express the opinion of this Board, either approving of the general principles of a bill, or to adopt something like the resolution from the New York Board of Trade and Transportation. If you approve of a bill wholly, the members think you have decided the question for them.

MR. SUPPLEE : In accordance with your suggestion, I will simply offer a motion that we thank these members for their endeavors, and will withdraw the recommendation of the particular bills ; either that, or the original resolution as it stands.

Mr. THURBER: I think the resolution as it stands is the best.

Mr. GANO, of Cincinnati: I should like to ask any gentleman who is informed on the subject, whether the taxes charged to commercial travellers are special taxes, or whether they are subjected, when they go into a town to do business, merely to the payment of a license fee, which is charged to any resident of the place. For instance, if I should go to Alexandria, in Virginia, and propose to sell goods, and should be taxed, should I be put upon the same footing with the local merchant or dealer; or upon a different one?

Mr. HENRY, of New York: In the case of North Carolina the amount is deducted from the tax of the local tax payer, whereas we get no such deduction, and so it becomes a special tax on us. In the District of Columbia there certainly is Federal jurisdiction, and it seems to me it is most outrageous to compel us to pay two hundred dollars for the privilege of selling our manufactured goods here. It is a relic of barbarism.

Mr. GANO: My question is, whether, if I am a resident merchant here and pay \$200 tax, it is fair to allow you to come in and trade free?

Mr. HENRY: There is no such tax in the District of Columbia on its citizens. They are taxed according to the real estate that they hold.

Mr. SUPPLEE: I may say, in answer to the very pertinent inquiry of the gentleman, that in most of the cities this tax is not charged to residents. I have cited a case in North Carolina, where it is charged to residents, but they are allowed a drawback on their tax-bills.

Mr. PARSONS, of Detroit: Reference has been made to the decision of the Supreme Court of Michigan. I wish the gentlemen present to understand what that was. We have no sort of objection to commercial men travelling through the State from end to end; but when we tax men three hundred dollars for the sale of ardent spirits in the State, we think it unjust that an outsider should come in, paying no tax whatever, and do the same business. That was the case; nothing else.

Mr. LORING, of Minneapolis: I hope I may be pardoned a few

words, as all the gentlemen who have spoken on this subject are interested in the jobbing trade in the East. I have been a merchant in Minnesota for twenty-five years, and I have seen some of the workings of the system of commercial travellers who come into our part of the country and sell goods as against men who are paying thousands of dollars a year for taxes, and who come with their samples and pay nothing. There are, certainly, two sides to this question. The greatest objection is to those who come and sell goods at auction. I say to you, that we in Minneapolis, whose jobbing trade has got to be something like one hundred million dollars, are going to favor this proposition. At the same time, I do not want gentlemen to think that every city that has been mentioned as charging a tax upon commercial travellers is entirely wrong. The time was when we in Minneapolis and in St. Paul could not afford to have our country overrun by men who were not paying local taxes. We were supporting the Government and we had to pay our taxes.

Mr. PARSONS: Michigan will favor the proposition.

Mr. SUPPLEE: I presume it would be better to withdraw my proposition. That seems to be the temper of the Board.

Mr. HENRY: I move that we adopt the preamble and resolution of the New York Board of Trade and Transportation.

The motion was seconded and agreed to.

The SECRETARY: Proposition XVI, the Improvement of the Columbia River, proposed by the Portland, Oregon, Board of Trade, is next in order. The recommendation is as follows:

The improvement of the Columbia River and its tributaries from the sea to the head of navigation.

Mr. DOLPH: Just before the last annual meeting of the National Board of Trade, I was notified by telegraph that I was appointed in connection with Captain JOHN MULLAN, of this city, to represent the Portland Board in this body, and I had the honor to represent it. The topic presented by the Portland Board at that meeting was substantially the same as that presented now, namely, the improvement of the Columbia River. At that meeting, I felt it incumbent upon myself to present the subject as fully as the brief notice I had received, and the limited time I could devote to

it would permit. The remarks I then made I perceive are recorded as a part of the minutes of your proceedings. The Board was kind enough to adopt, unanimously, a resolution which I prepared and offered. I, therefore, do not feel at liberty at this time to ask the Board to listen to me again at length. Fortunately, the Portland Board is represented in part by a gentleman who is amply able to present the topic, ex-Senator CORBETT, who is fresh from the discussions of the Portland Board, who is just from the metropolis of that great empire which we, for convenience, denominate the Pacific Northwest, who is entirely familiar with the growth of that country, and who knows its wants. I shall leave it to him to make such a presentation of the topic as he sees fit to make. I am gratified to learn by observations made by me during a brief visit to the Northwest last summer, and from persons who have recently come from there, that the increase of population in the valley of the Columbia River, the general growth of that country, and especially the unprecedentedly large production of wheat in that region, have more than justified all I said in regard to the future of the country one year ago, and enforce what I then said with the logic of facts.

Unfortunately we were unable to secure a river and harbor bill at the last session of Congress. The appropriation which had been made at the previous session of Congress, and was then in part unexpended, for the construction of the canal and locks at the Cascades, has been expended with a fair showing of progress; and the appropriation, then almost entirely unexpended, for the construction of works at the Columbia River bar, although largely required for the purposes of securing a plant and making preparations for the work, has been expended with good results. The work done has shown that the recommendations of the engineers were well founded, that the work is entirely practicable; and as I understand it, the probability is now that it will cost less than was estimated by the engineers. What we need now is such large appropriations as will enable these works to be pushed to a speedy completion. I attempted to show you one year ago that the Columbia River was a great national thoroughfare; that the commerce of all nations was found in the Lower Columbia, and that it drained an area many times as large as a number of the Eastern States. The Government has entered upon this work. The interests of commerce, foreign and domestic, as well as motives of

economy, demand that sufficient appropriations should be made for its speedy completion. Fortunately during the last summer we had many visitors from the East, members of Congress and editors of influential journals, and other influential men, who had an opportunity to see the capabilities of that country, to see the Columbia River, to learn the importance of this great work. President HAYES at the close of his administration visited the Northwest. He saw the Columbia River, and so impressed was he with the importance of its improvement that he made mention of it in his annual message to Congress. No public man has ever visited the Pacific Northwest and seen the Columbia River, who has not come back impressed with the idea that its improvement was a national work. We confidently expect that the number of people visiting us will increase annually, as the facilities for reaching that country have been improved; and we hope soon to be so well known that we shall receive without difficulty our share of the appropriations made by Congress for river and harbor improvement. I have said more than I expected to. I leave the presentation of the question to my colleague.

Mr. CORBETT, of Portland, Oregon: Mr. President, I have been conversant with the Northwest since 1851. I went there when all of Oregon, Washington and Idaho contained a population of only about thirteen thousand people. There is now a population of about six hundred thousand people tributary to the Columbia River, consisting of the territories of Idaho, Washington, part of Montana, and the State of Oregon. It was Oregon Territory then. There was no regular line of steamships then in operation, but I went from the Isthmus to Portland on the first steamer that was built to ply between Portland and San Francisco, a vessel of about six hundred tons burden. That vessel ran for some years between Portland and San Francisco, and could reach Portland with difficulty, in consequence of the obstructions in the Willamette River at Swan Island Bar. The citizens of Portland themselves constructed snag-boats and other boats for the purpose of removing these obstructions. They did much more than could have been expected for the limited number of people we had in that section. They found it necessary to help themselves, being comparatively unknown. Most of the people who went there in the early times from Missouri and the Western States, went with patriotic mo-

tives, for the purpose of preserving the country to the United States as against England, which occupied, under the Hudson Bay Company, the trading posts through that country. Many of the people suffered untold hardships in going to that country, but from that time to this they and their descendants have been well satisfied with the accomplishment of this great work.

The Columbia River at its mouth is nearly ten miles wide. It is so wide that it is necessary to contract the mouth of the Columbia River for the purpose of deepening its channels. At times, previous to my going there, the depth of water was some thirty odd feet at low water. As the river has widened, the channel has naturally decreased in depth, and it has become necessary to extend the work to a certain extent so as to contract the channel, that the river may be deeper where the current is. The character of the work that has already been commenced has, to a considerable extent, effected that result. The completion of the work, according to the Engineer Department, will, undoubtedly, accomplish the desired result and enable vessels of the greatest draught of water to enter the Columbia River. Although we have a depth of water of twenty-six feet now at low water, it is not safe on account of the rise and fall of the water in rough weather, for vessels of deeper draught than twenty or twenty-one feet to attempt to enter. Vessels have crossed the bar drawing twenty-two and a-half feet, but they are liable to be detained for some time in the river. Therefore the appropriations have been asked for that improvement, and also for the improvement of the Columbia River at different points where obstructions exist in the river. A canal is being constructed at the Cascades, about a hundred and forty miles from the mouth of the river, and other improvements are recommended. When these improvements are completed, it will give us the opportunity to navigate, to the extent of, probably, six or eight hundred miles, one of the finest rivers in the country.

I have not before me the statistics of the grain produced during the past year, but I have the amount of the receipts at the port of Portland during the year. I am not positive whether it is for the calendar year or the year ended the first of July last. The amount of wheat received at Portland was five million, eight hundred and twenty-five thousand, one hundred and thirty-six cents, or two hundred and ninety-one thousand, two hundred and fifty-six tons, requiring two hundred and ninety-one ships of a thousand tons

burden to transport it; flour in barrels, three hundred and forty-four thousand, eight hundred and eleven, making thirty-four thousand, four hundred and eighty-one tons. Salmon caught on the Columbia River and canned, five hundred and ninety-seven thousand, seven hundred and eighty-three cases, amounting to twenty-nine thousand, five hundred tons, requiring twenty-nine ships of a thousand tons burden to transport. These are enterprises that have grown up since I went to the country. We then imported almost everything that was consumed there. Oats in centals, four hundred and forty-four thousand, eight hundred and forty-two, or twenty-two thousand, two hundred and forty tons. Barley, which is an interest just commencing, one hundred and sixty-six thousand, and forty-eight centals, or eight thousand, three hundred and two tons. Wool, twelve million, four hundred and ninety-one thousand, nine hundred and sixty-two pounds, or five thousand, two hundred and forty-one tons; hops, five million, two hundred and eight thousand, eight hundred and thirty-seven pounds. These are some of the principal products of the country, and it is growing with great rapidity.

We have now running between San Francisco and Portland one of the finest lines of ships in the world, almost equal to the English ships, over three hundred feet in length, and from two to three thousand tons burden.

Mr. HENRY: Most of them built by JOHN ROACH.

Mr. CORBETT: Built by JOHN ROACH mainly. They ply between San Francisco and Portland, one every four days. I see by the San Francisco statistics that the tonnage receipts from the North were ninety-one thousand three hundred and thirty-nine tons within a period of about five months.

Mr. CONKLING, of New York: What is the distance?

Mr. CORBETT: It is five hundred and fifty miles from the mouth of the Columbia River to San Francisco. Our exports are largely to England and foreign countries;—to Queenstown for orders. These ships that are coming to our shores are mainly English bottoms, I am sorry to say. Of course there are some American ships, but not nearly as many as we should like to see. Our exports last year amounted to fourteen million two hundred and eighty thousand six hundred and seventy dollars. The exports during the

coming year will probably be very much larger. I have prepared a resolution which I will ask the Board to adopt. It is as follows :

Whereas, It has become necessary, where practicable, to open up and improve our great water ways, and bring in easy contact the great producing sections by water transportation, to the end that the products of the country may be transported to the markets of the world at the lowest possible price, therefore,

Resolved, That we recognize the improvement of the Columbia River and its tributaries, from the sea to the head of navigation, as a work that commends itself to our judgment as a wise and judicious measure, that should receive liberal appropriations and support from the National Government.

Mr. HOLTON : This is an old question that this Board has gone over a great many times. Its early action upon it was normal and accurate. It went before Congress with the proposition that all the navigable waters of this country should be taken under its care, and judiciously and appropriately provided for. Last year you gave long and attentive consideration to this proposition from our friends of the Northwest, and you adopted a resolution specifically in their behalf. I am not disposed to oppose the action here today, but, in my judgment, we weaken our influence by the continual recommendation of this, that or the other project. We have already covered the subject, in a general way, time and time again. In my judgment, it is wiser for us to confine ourselves to general recommendations. No one here is more concerned than I am, in a patriotic way, for the improvement of the Columbia River. I glory in the productions of those people. I glory in the great development they have made there. But I do not care every time I come here to be called upon to make a special recommendation for their river. It was done last year elaborately, and the matter was discussed with great interest. It would be indecorous to lay it aside, as it is a great question ; and although a little in variation from my notion on the subject, I would offer something like this : The Board respectfully repeats its recommendation adopted last year that early and complete improvements be made for the navigation of the Columbia River. I will, so far, treat this as an exceptional case in deference to our friends, who have come three thousand miles to meet with us in this happy and admirable way. I think we should be justified in repeating the recommendation that was last year made specifically for this river.

Mr. SPERRY : I offer an amendment to the amendment. Four

years ago when I was here this matter came up. I said then, the only question we had to take into consideration was, whether this Board was in favor of voting public funds for the improvement of rivers and harbors. If it was in favor of that, then this was a proposition that ought to be acted upon by this Board. We then agreed to the idea that it was within the province of the National Government, and that Congress did right in voting money for the improvement of rivers and harbors. It was shown, and successfully shown, that this is one of those rivers that ought to be improved. Then we went on and passed a resolution that the river should be improved.

I move to amend the amendment by the following, which is substantially the first resolution :

Resolved, That we are in favor of the improvement of the Columbia River and its tributaries.

I propose that we leave it right there and when Congress comes to act, the engineers can go upon the river and examine it, and make recommendations; the Engineer Department can say how much money can properly be expended by Congress, and Congress can then vote the appropriations. I think that all we ought to pass upon here is a proposition favoring the improvement of the Columbia River and its tributaries.

Mr. HOLTON: Will the gentleman adopt the words, "We repeat our recommendation"?

Mr. SPERRY: Yes, sir.

Mr. COVINGTON: I think the gentleman is mistaken in his statement of the practice of the engineers in reference to river improvements. It becomes necessary first for some person interested, to specify in some degree the character of the improvements that are wanted. Congress then passes a resolution referring the matter to the Chief of Engineers, and he to the local engineer. The local engineer reports upon the practicability and propriety of the work. But if the gentleman can find an engineer in this country engaged upon any public work who will take the responsibility of recommending to Congress what should be done, he will find a man I have never seen nor heard of, and I profess to have learned something during the last twenty years, about the improvement of Western rivers and the action of the engineers with reference to

them. When gentlemen want to improve a river, they have got to bring the subject to the attention of Congress themselves.

Mr. SPERRY: I do not deny that.

Mr. COVINGTON: "The improvement of the river" does not mean anything. It does not reach the point. I am in favor of the resolution, with a single amendment. I have asked Mr. CORBETT's consent to incorporate the amendment, and he is willing. If we expect to help these gentlemen in the improvement of that river (and I think we should do so), we ought to ask for something specific, and get the matter introduced in Congress where it can take its regular course.

Mr. NELSON: An appropriation has already been made.

Mr. COVINGTON: Senator DOLPH referred to the small appropriations made for works of this kind, and the additional expense incurred over and above what ought to have been expended by a single appropriation of sufficient amount to carry on the work. We have a striking instance within a hundred and fifty miles of our own city. The Louisville and Portland Canal was taken by the Government after the Government had taxed our commerce there for more than was necessary to buy it—and a generous government it was. After buying it, they set to work to make it a free canal and made some improvements on it. I believe that the engineers who were engaged on that work, commencing with General WEITZEL, and continuing until he went to the northern lakes, and was followed by Colonel MERRILL, who is now in charge of the improvements of the Western rivers, will tell you that simply for the want of a sufficient amount of money at the proper time, that work has cost twice as much as it ought to have cost, and that its value to the commerce of the country has been very much impaired. If these gentlemen have got estimates for the Columbia River made by the Engineer Corps of the army (and I am not in favor of any other power controlling or guiding the improvement of any of our rivers or harbors than the Engineer Corps of the army; no commissions for me), I am in favor of recommending an appropriation, and I hope Congress will vote such an amount as will enable the work to be prosecuted right along as rapidly and advantageously as it can be done.

Mr. DORE: How far?

Mr. COVINGTON: Until the river is improved as far as it can be made navigable and useful to the country tributary to it.

Mr. DORE: Now will the gentleman read the amendment?

Mr. COVINGTON: I will read it.

Whereas, it has become a necessity by the rapid growth and increase of population, and the productions of the country tributary to the Columbia River that the products of the country be furnished with water transportation to the markets of the world at the lowest possible price, therefore be it

Resolved, That we recognize the improvement of the Columbia River and its tributaries from the sea to the head of navigation, as a work that commends itself to our judgment.

Mr. SPERRY: The objectionable point is this: I understand that the really navigable waters only extend as far as the Falls.

Mr. CORBETT: At the present time.

Mr. SPERRY: The question is whether you want to go beyond that point.

Mr. CORBETT: We want to go beyond it as the country is developed.

Mr. SPERRY: Therefore, I propose to leave it open, and the very remarks my friend made substantiate every word I said. It first goes to Congress, and then to the United States engineers. I have been through this matter time and time again with our own improvements, and am thoroughly familiar with it. The only point I wish to make is that when it goes to the engineers, they should say how far the improvements should extend, and not we who have never seen the river.

Mr. COVINGTON: Not at all. Allow me to correct the gentleman. Suppose the same rule had been applied to the Ohio River. Take the obstruction at Louisville, which, until the canal was built, was a very serious one. It was such an obstruction that steamboats, taking out the low water and the ice in the river, could not make a trip from New Orleans to any point above the falls of the Ohio, and rely upon navigation for ninety days within the year. Take another case, the Mississippi, at Keokuk. Take the improvements there. What would have become of all that great country in the vicinity of Minneapolis and St. Paul, if they had left the obstructions in the Mississippi River at Keokuk, instead of removing them, as they have done. Take the Kanawha

river. It is navigable for many miles for a considerable portion of the year. We are putting locks in there to open up valuable coal fields. Why should not all these improvements go on at the same time? Let us make improvements in a way that will develop the whole country, not a little improvement here, cutting everybody else off. The people above the Falls on the Columbia River have as much right to the benefit of the improvements as the people below them, and the same is true of the Ohio River and all other rivers. When you commence this work let it go on. I hope the resolution will be carried.

Mr. McLAREN, of Milwaukee: I am very sorry that I shall be obliged to vote against this proposition. I am strongly tempted to do so without saying a word, and yet I feel it due to myself and to those gentlemen who have come here from so far, and who have presented the question so well, and who did so last year in a way I have very much enjoyed in reading the report, to state why I oppose the proposition. I look at it a little differently from any one who has spoken. I differ entirely from my friend who says the only question is whether we are in favor of appropriations for works of this character, and, if we are, that it settles the whole question. I do not think it does. I am emphatically in favor of liberal appropriations of public money for the improvement of rivers and harbors, much more liberal appropriations than have yet been made. It is true that money has been wasted in that direction, but that is incidental and perhaps inevitable. I believe in the very fullest appropriation that the country can afford in that direction. But, Mr. President, I will ask you, and some other members who have been cognizant of the meetings of the National Board of Trade since its institution, to recall the first gathering of the Boards of Trade of this country that I believe ever occurred, in the city of Detroit, in 1865. I think when we went there, certainly nineteen out of every twenty of the delegates believed that the building of a canal across the isthmus near the Niagara River on American territory was a question of absolute necessity. Its necessity was urged on the ground of commerce and patriotism, as a war measure, and on every possible ground it was urged and believed in. I had the honor to be a member of the Committee on Transportation appointed at that large and influential convention, and I was most thoroughly convinced that that canal was one

thing we should urge the Government to construct. That measure was brought before the Committee on Transportation, and there was an unanimous feeling in its favor. Pretty soon after we had got through with that, I think the Hennepin Canal was brought in by our friends from Chicago, and then some Wisconsin man brought in the Fox River and Wisconsin improvement, and then a gentleman from further south, I do not know but some of my friends here from Cincinnati, brought in the Ohio River and the Kanawha Canal. So from every section of the country we found some particular project of local importance brought forward as a pressing necessity, and the Convention was asked to endorse each and every one of those measures. I do not want to dwell on this, but the position that that Committee on Transportation found itself in was, that they could not endorse one of those measures without endorsing the whole of them, and the result was that we did not endorse a single one of them, but brought in a general recommendation to the Government, to exercise a wise liberality, and a very broad liberality, in dealing with those measures. I do not give the exact words of the resolution, but that was the tenor of it, and that laid the foundation for the action of the National Board of Trade for a great many years subsequent to that. There was an unwritten law in the Constitution, as I believe you will bear me out in saying, that these local matters would not be favorably considered by this Board. I believe that nothing ever did more to give weight and influence to the recommendations of the National Board of Trade than that unwritten law in our proceedings. I was sorry to see that it had been interrupted within the last year or two. I think it is a mistake. I agree most thoroughly with the gentlemen, that this is a measure that deserves the fostering and liberal care of the Government.

Mr. COVINGTON: Then why not say so?

Mr. McLAREN: Because I think if we do this, next year I shall be coming here asking you to vote two or three millions to the Wisconsin River, and somebody else will be asking the same thing for some other section, and so on through the whole country until this Board will be loaded up with local projects, and the weight of our recommendations will be lost. I should prefer to retain the conservative position we have occupied, and not lessen our influence in the way I fear very much we shall do if we go into local measures and improvements.

Mr. DORE, of Chicago : It does not appear to me that the object in view is a local one. My information is, so far as I have had observation, that the custom is to ask for something specific, and then the usual course is for the engineers to make the survey and the estimates for us, to see whether it is practicable and what it will cost ; and then when you make a demand for an appropriation you have something that is definite. It seems to me that this proposition lacks definiteness.

Mr. CORBETT : I do not know that it is very important that this resolution should be so specific. We are perfectly willing to leave the matter to the recommendation of the Engineer Department. Perhaps Mr. SPERRY's resolution covers the whole ground.

After further discussion, the resolution of Mr. CORBETT was modified, so as to read as follows, and adopted by the Board :

Resolved, That the improvement of the Columbia River and its tributaries, as recommended by the Engineer Department, is a work that commends itself to our judgment as a wise and judicious measure that should receive liberal appropriations and support from the national government.

The SECRETARY : The next proposition, No. XVII, comes from the New York Board of Trade and Transportation, the Bonded Warehouse Act, with the following resolution :

Whereas, The customs laws of Great Britain, and other countries, permit dutiable merchandise to remain in Bonded Warehouses until required for consumption, and this practice has been of great benefit to the commercial interests of those countries :

Resolved, That the United States Bonded Warehouse Act should be so amended as to permit imported dutiable goods to remain in bond, except in the case of green fruit, and other perishable commodities, without payment of duties until withdrawal entry is made for consumption, abolishing the limit of three years, as now fixed by law.

Mr. MILLER, of New York : The warehouse law, as now in force, limits all goods to the term of one year. If the goods are not withdrawn, or the duty paid within the year, ten per cent. additional duty is added thereto. If that ten per cent. additional duty should not be paid, and the goods remain three years in a bonded warehouse, or if it should be paid, the goods are then considered as forfeited to the Government. There is no purpose in such a law, except to act as an incubus upon the commerce of the country.

Whatever goods are in bond will be withdrawn and the duty paid as they are required for consumption. The benefit of having foreign goods in bond, is this: It forms a supply that is within the limits of our own country to such an extent that the operations of speculators are practically done away with. In the next place, it would give us the same privileges if we had an indefinite term for goods remaining in bond, as exist in Great Britain, Germany, and other commercial countries. There are no restrictions there. We are, to a certain extent, debarred from privileges allowed by them for no purpose whatever. It costs the Government nothing for the warehousing of bonded merchandise. It is a private business done at the risk of the proprietor, who enters into bond with the Government for the safe custody of the goods, and is charged likewise with the cost of the Government's sworn officer, who holds custody of the premises. The Government is under no risk and no expense, while this restriction remains as an obstacle to the commercial interests of the country. Therefore, the Board of Trade and Transportation of New York have taken the matter into consideration, and have unanimously passed this resolution for presentation to the National Board of Trade.

Mr. EVERSOLE, of Cincinnati: I should like to ask whether there is any considerable class of merchandise outside of alcoholic and spirituous liquors, which it is probable importers would wish to retain for a longer period than three years in bond.

Mr. THURBER, of New York: I should like to answer that question. There are at times quantities of merchandise that it is desirable to hold beyond the limit now provided by law. Some goods are positively improved by age, and it would pay to hold them longer than is now possible. For instance, coffees. I have known coffees to come into the country, that it would be desirable to hold longer than one year. It happens all the time when a ten per cent. penalty is added, and there have been times when to hold them longer than three years would have been desirable. There are many goods that it would be desirable to hold. The proposition is simply to follow the custom of the great markets of the world. We want in this country not to be behind in furnishing facilities that have proved beneficial in other great markets of the world, as those which have been mentioned by Mr. MILLER. So long as the Government is at no expense in this matter, it would

seem only proper that our citizens should be given every facility which the citizens of other nations are given with whom we have to compete. Therefore, I shall be heartily in favor of this measure.

Mr. THOMPSON, of Baltimore: Would you consider the goods still entitled to debenture?

Mr. THURBER: For reëxport?

Mr. THOMPSON: Yes.

Mr. THURBER: That question has never been raised, but I see no reason why they should not. Do you see any objection to that?

Mr. THOMPSON: Yes, sir; I should say so. I think that an imported article held in a Government warehouse for three years, carrying with it the title to debenture, to reëxportation, has been held for a sufficient limit to carry that privilege.

Mr. THURBER: They are not in Government warehouses.

Mr. THOMPSON: They are under Government control.

Mr. THURBER: Yes; and the owners of those warehouses have to pay the expenses of the Government officers, etc. I would give our people the same privileges that the people of other countries have. In London, Liverpool, Bremen, and other great markets of the world, that is a recognized practice, and I do not see why we should not do it here.

Mr. MILLER, of New York: I would likewise state that the larger our stock of foreign goods, the better the market we have at home for the productions of our own country. If people come from Mexico, from the West Indies, from South America, from Canada to purchase articles of our own growth, our own manufacture, and still want the wines of France, the silks of Italy or other foreign goods, and cannot obtain them here, it may lead to the purchase of similar productions to our own in foreign countries. We know that that has been the case. But there can be no possible objection, as it costs the people nothing to permit the goods to remain at the will of the owner. Suppose at the end of four or five or ten years these goods are reëxported. What then? American labor has hauled the goods, an American warehouseman has collected the storage, American capital has made advances upon

them, and the upshot of the whole thing is that perhaps we have got a large percentage of their entire value.

Mr. THOMPSON: According to my understanding of the present position, when goods in bond are reexported, the Government retains a commission of ten per cent. upon having taken charge of them. I find there is a proposition on the programme for doing away with that ten per cent.

Mr. MILLER: That is on manufactured goods.

Mr. THOMPSON: On all goods.

Mr. MILLER: That is on goods manufactured out of foreign material.

Mr. THOMPSON: Do you propose to apply that second proposition to goods entitled to debenture?

Mr. MILLER: No; that has nothing to do with this matter. This is simply a matter relating to the warehousing of imported goods. The other proposition refers to the manufacture of domestic goods, for instance whiskey, on which there is a duty.

Mr. SNOW, of New York: This matter has been discussed with us by parties who understand the question thoroughly. The trade of London is accommodated by immense warehouses, where goods can be kept as long as owners pay the expense of keeping them. You can take them out and have the benefit of the drawback at any time you wish. London, and other large cities in England, thus become the repositories of the products of other countries, because they can lie there any length of time. A ship that wants to load at London to go to any part of the civilized world can find almost every article in the London warehouses that she wants to complete her cargo.

Mr. BUCHANAN, of Trenton: There are three subjects upon the programme that ought to be read together. The first proposition, not now in order, is that the certification of invoices on the other side by consuls shall be dispensed with. The next is the one now under consideration, that goods when they come here may remain for an indefinite length of time in the bonded warehouse. The third is that whenever the owners are ready to take them out to be reexported, the whole of the duty shall be refunded as a drawback. These are three parts, I will not say of one scheme, because

some gentleman might give an offensive meaning to that word. I will say three parts of one project. They have a relation. They begin with the commencement of the journey of the goods from the foreign manufacturer, and continue on to the reëxportation of those goods after they have remained here in the bonded warehouse. I looked at those propositions when I first obtained a copy of the official programme, with a good deal of interest, and, I must say, with a considerable degree of suspicion. The limit now is three years. The proposition is to take away the limit entirely. If three years is too short, make the limit a longer one, but let us have a limit. Let there be some time in the history of those goods when the Government can say "Our dues must be paid or the goods must be forfeited." Do not leave it indefinite, as the proposition leaves it. It is said we are only following the course of the markets of the world, and the markets of London and Paris are cited. It is a matter wherein we do not come in competition with them. I take it, whoever the owner of the goods may be, he is compelled to go through the same process. The ownership of the goods has nothing to do with it, and if the goods are sent here by the foreign manufacturer and remain in bond, they remain in bond subject to precisely the same provisions as though they were imported by a resident or a citizen of the United States. There are a good many London customs and a good many English customs to which we have had, in our history as a nation, to demur. I remember a document that was promulgated to the public in Philadelphia in the year 1776, about the fourth day of the month of July, in which several customs that had obtained in England, and several customs that it had been proposed to force upon us, were objected to in quite plain words. About the only thing English in that document was its language. Because this particular custom obtains abroad, it does not follow it is the best custom for us. As I said before, I have no objection to giving these gentlemen who find they have imported a great deal more than they can sell, a chance to turn round; but let us have some limit, instead of taking away the limit entirely. I think three years is ample, and if the proposition stands just as it is, I shall be compelled to vote against it.

MR. THURBER, of New York: I should like to say a word in answer to our friend, Mr. BUCHANAN. As regards the question under consideration, he says we now have a limit of three years.

That is true, but the ten per cent. penalty, after the first year, is a very serious penalty. My own belief is this: That what we want is to do as nearly right as we can, and that so far as this proposition is concerned it is right. The freedom of the ports of the world for the producers of the world, is an inducement for them to send their goods. Suppose a producer in any part of the world is not exactly certain that there will be a demand for his goods at a certain place, but thinks perhaps the American market may be a good market. He is deterred from sending here for the reason that in other markets, like London, Bremen, etc., there are no limitations to the holding of goods in bond as long as he may wish. I cannot see any objection to doing as our competitors do. We are competitors of London, Liverpool and Bremen, and every market of the civilized world where goods are held in bond, and the reëxport of goods from our markets is a very important matter. Take the whole of Central and South America and Mexico. They might draw many of their goods from our market, goods produced in other parts of the world and held here in bond. If we give our merchants the same facilities the merchants of the rest of the world have, more business will be done, and that is what we want. We want to employ our capital and our labor, and I certainly cannot see any objection to doing so.

Mr. BUCHANAN: I do not agree with the proposition that we ought to so shape our legislation as to induce other countries to flood ours with their manufactured material and with their manufactured goods. I do not believe it to be the policy of this country to do so. I do not believe it to be proper to so shape our legislation as to make it possible for a foreign manufacturer who is overstocked, to send his overstock to New York to remain in bonded warehouse for an indefinite time, and then to be sprung upon the American market when American manufactures are suffering from a depression of prices. That is what this proposition will make possible. I do not hesitate to say, from my own personal knowledge, that a very large proportion of the importations into the United States are not goods brought by importers residing upon this side of the ocean, but sent by foreign manufacturers to be left in a bonded warehouse for a future market.

After further discussion the question was put on the adoption of the resolution. The Chair was in doubt as

to the result and a division was called for, whereupon it appeared that there were twenty-one votes in favor of the proposition and twelve against. There not being a two-thirds vote in its favor, the Chair declared that the motion to adopt the resolution was not agreed to by the Board.

The Board, on motion of Mr. How, at 5.30 P. M., adjourned until 8 P. M.

EVENING SESSION.

The PRESIDENT called the Board to order at 8.13 P. M.

The PRESIDENT : I have the pleasure of announcing that at the meeting of the Executive Council, this evening, Mr. HAMILTON A. HILL was unanimously reëlected Secretary and Treasurer of the Board for the ensuing year. (Applause.)

The next proposition for consideration is No. XXII.

The SECRETARY read Proposition XXII, from the New York Board of Trade and Transportation, as follows :

Resolved, That the entire revenue tax upon alcohol used in the arts and manufactures should be abolished.

Mr. HENRY, of New York : Mr. Chairman, I believe this measure has passed the Board twice, and it has also passed the National Association of Wholesale Druggists and other bodies in the country. We claim that we are not on a par now, as manufacturers, with France, Spain, Great Britain or Germany, or even with the smaller countries of Europe. They are permitted to use alcohol entirely free from taxation, for manufacturing purposes, and the goods so manufactured by them they send to Cuba, to Australia, to South America, and drive out our goods, because we are compelled to use alcohol that has paid a tax of one dollar and eighty cents a gallon. While the Constitution of the United States provides that there shall be no export duties, we do, in fact, pay an export duty when we use alcohol that has paid this charge.

Mr. McLAREN, of Milwaukee : Will the gentleman explain how alcohol to be so used, can be distinguished from alcohol used for other purposes ?

Mr. HENRY : There are several ways that can be agreed upon, and I do not think there would be any serious trouble about it. We have bonded warehouses where these articles are now put in bond. A man would have to give a bond to the Government if he wanted to use alcohol for manufacturing purposes. I do not think there would be any extensive cheating. I do not think that

Great Britain, France or Germany, or any of those countries that do tax alcohol for drinking, have any trouble on that score; I am told they do not. Some of them put the alcohol through some process so that it will not be fit for drink.

The PRESIDENT: Do they color it?

Mr. HENRY: Yes; some of them color it. I want to say that this matter is probably more important than you imagine, because it is stated that more than two-thirds of all the alcohol produced is used for manufacturing or chemical purposes. Very little alcohol is used for drinking purposes, as you all well know.

Mr. DOANE, of Cincinnati: I should like to inquire, if Congress should act favorably upon our recommendation, what diminution our internal revenue would suffer? I think that is a question we should consider here. My opinion is that if there is anything under Heaven that can afford to pay a duty, it is alcohol.

Mr. HENRY: Not for manufacturing purposes.

Mr. DOANE: Alcohol is one material certainly that can afford to pay a tax, and I wish it were taxed out of existence.

Mr. THURBER, of New York: There is no doubt about one thing,—that all other nations on the face of the globe—and I am saying this for the benefit of my friend Mr. BUCHANAN, of Trenton—do remit the tax upon spirits used in the arts and manufactures. It seems to me an eminently proper thing to do, and I am in favor of the proposition.

Mr. HOLTON, of Milwaukee: I think the question should be divided. When it comes to collecting the revenue on the alcohol, I fear it would all go into manufactures.

Mr. THURBER: Some people put it through a process called methylating; in other words, they take the “drunk” out of it, and yet it is good for other purposes.

Mr. SPERRY, of New Haven: I believe we have passed this at two or three of our meetings. I should hate to see the action of this Board reversed now, and to take the back track. But for the purpose of testing the views of the members, I move the following amendment:

Resolved, That it is the sense of this Board that all internal revenue taxes, by whatever name, be dispensed with.

I offer this amendment in perfect good faith, for I would like to see what the sense of this body is upon it.

MR. THURBER: Can you amend your amendment so as to test the sense of the Board, so far as may be consistent with the exigencies of the Treasury?

MR. SPERRY: "So far as the exigencies of the Treasury are concerned;" the trouble is that it is filled to overflow; there is too much there now, and it is claimed that we want the money from alcohol for purposes other than those for which other internal revenue taxes are used.

MR. SNOW: That question is not upon the programme, and is not the question that we have been called to consider now.

MR. SPERRY: I shall certainly be willing to have the Chair rule upon that, and be satisfied with his decision.

THE PRESIDENT: I have a very grave doubt, Mr. SPERRY, whether the amendment you suggest is in order.

MR. SPERRY: I cheerfully submit to the ruling of the Chair.

MR. HENRY: I want to say, in addition to what I have said about the bonded warehouses, etc., that from the West, grain comes through to the seaboard and is transported to foreign countries without paying one dollar to this country other than for labor in raising. It goes through in bond, is manufactured in Great Britain, in France and in Germany, and is sent back to this country in the form of alcohol, in competition with us who have to pay this tax of one dollar and eighty cents a gallon. A few years ago nearly all our cities had more or less trade with South America, in perfumery, medicines, burning fluid, and other articles that alcohol enters into. That trade we have entirely lost, except in one or two cases. For instance, in New York one firm, a very rich house, has a bonded warehouse, or rather they are able to have and pay for a Government inspector, and they virtually have a monopoly. They do a very large business; they have made hundreds of thousands, and I might almost say millions, of dollars. I find no fault with the house, but all the druggists in Chicago, St. Louis and Baltimore are not able to do that. I myself am a manufacturing druggist, and I know that we could not afford to pay to the Government one thousand five hundred dollars a year for an

inspector to supervise our manufacture, because our business would not justify it. Before we had to pay this tax we had the business and made more or less money by it. I hope gentlemen will see the justice of the resolution, and permit it to be passed unanimously, as before.

Mr. THOMPSON, of Baltimore : I should like to ask the gentleman in what form it can come back to escape duty for revenue? If it comes back in the form of brandy, as I believe it does, it has to pay a duty.

Mr. HENRY : It comes back in the form of medicine, perfumery, etc. Most of it, of course, has to pay more or less revenue to this country ; that I admit. But I say that the foreigner has an unfair advantage over us in being relieved from the payment of this one dollar and eighty cents a gallon, and we cannot successfully compete with him in mutual markets, unless we do as the house I have spoken of does, have a bonded warehouse of our own.

Mr. McLAREN, of Milwaukee : I do not quite understand. You say this firm in New York, having a bonded warehouse, takes the alcohol out for the purpose of manufacture?

Mr. HENRY : No ; I specified a house that I knew about particularly ; they take the alcohol in bond, and manufacture it.

Mr. McLAREN : Take it out without paying duty?

Mr. HENRY : It is there in bond, and they manufacture in the bonded warehouse under the supervision of a Government inspector.

Upon a division, upon the question of adopting Proposition XXII, there were eight ayes and eighteen noes.

The PRESIDENT : The proposition is not agreed to ; the next one will be reported.

The SECRETARY read Proposition XXIII, from the New York Board of Trade and Transportation, on return duties on imported materials, as follows :

Whereas, Our system of drawbacks on manufactured goods exported, allows on some goods but ninety per cent. of the amount of duties paid on

materials used in their manufacture, and requires said manufactured goods to be made wholly of imported materials, in order to secure any drawback :

Resolved, That in the opinion of this Board, this constitutes an unjust burden upon American manufactures; that the drawbacks allowed should equal the duties previously paid, and drawbacks should be allowed when the article is made only in part from imported materials.

Mr. THOMPSON, of Baltimore: I move, Mr. President, out of courtesy to the constituent body making that proposition, that it be continued on the programme for next year. I do not think this Board is prepared, after the very decided vote that it has just given, to open that door.

Mr. NELSON, of Chicago: I second that motion.

Mr. SNOW, of New York: Mr. President, this was brought to my attention by a very intelligent lawyer who had had it brought to his attention by others. A resolution was prepared and introduced in the Chamber of Commerce, of which I am a member; they approved the resolution asking for a return of these duties. For instance, take the article of tin. Tin cans constitute an immense article of export. All our petroleum oil that goes to the East Indies and other parts of the world, goes in tin cans. We pay one hundred per cent. of the tax on the tin imported, and when it goes out in the form of tin cans, ninety per cent. of the tax is returned; so that, in effect, we pay an export duty of ten per cent. That interferes with our trade, and hurts us to that extent, and prevents us from delivering this oil abroad as cheaply as we could otherwise. The twenty-nine thousand tons of salmon from the Columbia river, that has been mentioned, all goes into tin cans, and we, in effect, have to pay an export duty of ten per cent. upon them. So with oysters, and everything of that kind in tin cans; all these items constitute a very large part of our exports. So it seems to me abundantly clear and clean that the amount of duty that is paid should be returned, provided those articles are not consumed in this country.

Mr. THOMPSON: I should like to ask Captain SNOW whether that ten per cent. is retained by the Government as a commission? The Government furnishes custom-houses, employs its officials to take charge of them, and where an article of foreign importation enters into the manufacture of goods here, which are afterwards offered for export, the Government says, "We have performed the

service in this matter, and it becomes a part of the charge on the people for the maintenance of the Government, and we charge you a commission of ten per cent." The resolution says, "On some goods," I think it applies to all cases. It not only applies to articles that may be manufactured in this country, but it applies to articles held in bond and entitled to debenture. The Government does not divest itself of the right to retain the ten per cent. commission. The object of the resolution is to do away with the commission that the Government charges for performing the service.

Mr. SNOW : It seems to be a very large charge, one-tenth of the whole amount, for doing what? The Government pays no storage expenses. The party who puts his goods into a bonded warehouse pays his own expenses, and the storekeeper gives bond for the faithful performance of his part of the duty. So that the Government seems to be at no expense, except for the inspector, to see that there is no stealing.

Mr. THOMPSON : The expense of carrying on the Government is what we have to bear.

Mr. SNOW : It really looks like an onerous tax, and one that is injurious to our export trade.

Mr. HENRY : Mr. Chairman, it is the same old story of an unconstitutional export duty of ten per cent. There seems to be a disposition in this National Board of Trade — and I do not hesitate to say it — to discourage all honest manufacturing. There seems to be a disposition on the part of certain manufacturers who hold liquor and have a certain style of monopoly, to say to others, "We will put just as many obstacles in your way as we can, and if you want to manufacture for South America, you had better move to Montreal;" and men have gone from New York to Montreal, to my certain knowledge, to manufacture for the South American trade, because in Montreal they are not hampered with the unwise and unconstitutional restrictions which this National Board of Trade seems entirely willing to continue as against the manufacture in the United States. I say now that there is no country on the face of the globe where they tie a stone round a man's neck and then throw him in the water and tell him to swim, as they do here, to prevent a manufacturer from carrying on legit-

mate business. If you have a right to charge him ten per cent., you have a right to charge him ninety per cent., and yet the Constitution distinctly says that there shall be no export duty. These goods have come here in bond, they are manufactured in bond, and they go out in bond; and the Government has no more right to take out ten per cent. on that account than it has to take twenty, fifty, or one hundred per cent.

Mr. SNOW: They have just as much right to take ninety per cent. as ten.

Mr. HENRY: Ten per cent. is an obstacle in the way of the American manufacturer, and helps Great Britain to do what she is now doing, drive us out of the markets of the world, and lets France and Germany and other European countries take all the business. Why a National Board of Trade, composed of respectable merchants and business men, should want to tie the hands of the manufacturers of the United States in this way is a mystery to me.

Mr. BUCHANAN, of Trenton: I shall try to say the little that I have to say with reference to this proposition, so as to clear up, if possible, the mist which now surrounds this subject. I think it is a misuse of language to say that this is an export duty. I think if it were so, the merchants of New York would long ago have made up a test case and had it so decided. The provisions of the Constitution on that subject are clear, plain and distinct.

Mr. SNOW: It is substantially the equivalent of an export duty; that is what I claim.

Mr. BUCHANAN: I will tell you what it is. An article is brought into this country, not for consumption, but for manufacture and reexportation. When it comes in it is subject to a certain duty levied by the Government. When it is manufactured and reexported, ninety per cent. of that duty is returned. Why is the other ten kept? It is a charge made by the Government for the use by the exporter of the machinery of the Government in entering the goods and having them reexported. Now, it is a simple question whether the United States Government shall maintain, free of cost to these parties, a custom-house, with all its machinery of officials and the bonded warehouse system. That is all there is of it. I think, myself, that ten per cent. is too high; I think that it more

than reimburses the Government, but that is the object of it. To call it an export duty is, I say, a misuse of language. It is the charge by the Government for the services of its officials.

I think if this proposition were put in a little different shape, so as to recommend a reduction of the amount, it might obtain a majority of the votes of this Board. But it does seem to me that we ought to hesitate before we ask the Government to maintain its custom-house system and machinery for the free use of men importing and reexporting.

Mr. CHERRY, of Cincinnati: I want to vote for this proposition. I think if the propositions were changed so as to request the Government to reduce this charge—it seems reasonable that some charge should be made—this Board would pass it. I think that if it is pressed to a vote in its present shape it will not pass, but the Board of Trade and Transportation can change it so that the majority of this Board will be very glad to accept it, and to recommend to the Government some reduction of the charge.

Mr. HENRY: How would one per cent. do?

Mr. CHERRY: A reasonable amount.

Mr. HENRY: With all due respect, I contend that the Government of the United States is not entitled to one farthing. If you bring articles from Europe to manufacture for re-shipment, as we allow no export duty, you are entitled to a refund of the entire amount of import duty that you have paid, the same with glass-ware. That you get it absolutely free is, of course, a mistake, because there are more or less charges at the custom-house. You have to pay more or less fees, as you well know, to cover the expenses; but I believe that a charge of even one per cent. would do that. The principle would be wrong then, precisely as it is now, but I should be willing to reduce it to, say, two per cent. I do not think the Government ought to take more than that. Many complaints are made that the customs fees of all kinds are too high. If gentlemen think two per cent. would be better, the Board of Trade and Transportation would be willing to accept that reduction.

Mr. BUCHANAN: How would it do, after the words "previously paid," in the fourth line of the resolution, to insert the words "less expenses of collection," so that it would read:

That, in the opinion of this Board, this constitutes an unjust burden upon

American manufacturers; that the drawbacks allowed should equal the duties previously paid, less expenses of collection.

Mr. THURBER: I think that is reasonable.

Mr. HENRY: We will accept it in that way.

The PRESIDENT: The motion made by Mr. THOMPSON was that the further consideration of this proposition be postponed, and that it be placed upon the programme for the next session of the Board. That is the question really before the Board.

Mr. HENRY: Suppose Mr. THOMPSON should withdraw that.

Mr. THOMPSON: I am perfectly willing to withdraw it. I merely made the motion as an act of courtesy to the constituent body. I do not think the Board is prepared to vote on the proposition, with the limited information in its possession. I consider that it is not advisable for this Board to place itself on record as ready to open so wide a door. When you come to the second proposition, in regard to the duty-paid article entering into the manufactured article that is offered for export, what safeguard can you throw around that? Simply the one suggested by the gentleman from Ohio (Mr. CHERRY) when the previous question was being discussed, that you put a revenue inspector in every manufacturer's office. That would entail a great expense.

The PRESIDENT: The Chair understands that Mr. THOMPSON withdraws his proposition, so that the main question is now before the Board.

Mr. THURBER, of New York: Perfect machinery exists at present in our customs service for ascertaining the proportion of the ten per cent., or whatever the percentage may be, to the ninety per cent. I think the proposition made by Mr. BUCHANAN is probably the most reasonable one, to say "less expenses of collection." That would be estimated, of course, by the customs authorities. It seems to me that is a reasonable proposition.

Mr. NELSON, of Chicago: I should like to ask Mr. THURBER what proportion the business under discussion would bear to all the custom-house business of the country. In other words, of what magnitude is the collection of this drawback of ten per cent? I have changed my mind somewhat in listening to the discussion. In the first instance, I seconded Mr. THOMPSON's motion to post-

pone, but I think now that I have enough information to enable me to vote upon the subject. It seems to me that it increases our exports, and that is the point we are looking to and laboring for. Anything that will increase the exports of our manufactured products, anything that will take the place of the exportation of gold, or that tends in that direction, I am in favor of. It seems to me that this ten per cent. is a mere incident. While we may sympathize with the down-trodden official in the New York custom-house, still I think he would have time to attend to this branch of the business without materially adding to the expenses of this Government. From my experience with the custom-houses at Chicago and the Lake ports I do not believe that the Government would materially feel the loss of this ten per cent.; I think it mere nonsense to talk about it.

Mr. THURBER: In answering Mr. NELSON's question, of course it is impossible for me to say just what this would come to; but, as stated by Captain SNOW, on all our exports of petroleum in tins, the canned goods, with which I have had some little experience—on all the Oregon salmon which were mentioned here today by Mr. CORBETT—the drawbacks allowed on the export of the tin that encloses the salmon are only ninety per cent. of the duties paid. I do not imagine that the expenses of the Government officials are increased by ascertaining the amount of duty paid. Making these estimates as to the quantity imported, as compared with the exports offered is a matter that is all in the hands of the customs authorities, and they simply allow the exporter ninety per cent. of the duty he has paid. My own impressions are in favor of this resolution, although it is not a matter of great importance; but it is one of those things which do operate against the American manufacturers, and therefore I think the resolution is proper.

Mr. McLAREN, of Milwaukee: The preamble states that the present law requires manufactured goods to be made wholly of imported materials in order to secure a drawback. The proposition is that the drawback should be granted on the article if it is made only in part of imported materials. Would not that introduce an entirely new examination by the Government officials as to the proportion which the article on which drawback is asked bears to the imported articles? How are they to ascertain that?

Mr. NELSON : Suppose it does. They have nothing else to do, let them do that.

Mr. SNOW : As I understand this proposition, it is saying to the Government practically that this Board of Trade thinks there is injustice perpetrated upon the exporter, who is placed in a disadvantageous position in consequence of these taxes, and asks that this injustice be remedied. It is not for us to say how the Government shall do it. If it came to that, the Government might reply that it is not possible to do it, and that would end the matter. When you look at ships carrying ninety or one hundred thousand cases of oil, you see that an enormous trade in that article has grown up. All the oil that goes to the East Indies and to the Mediterranean and elsewhere is carried in cans. Twenty-nine thousand tins of salmon came from the Columbia River; those tins were imported from Europe and the entire duty was paid upon them. We are seeking to point out to the Government an injustice and ask it to remove it. We do not care to how much trouble the Government goes, provided it sees, on our suggestion, that it is practicable to do what we desire.

Mr. DAVIS, of Philadelphia : Mr. President, when you take into consideration that the Government rebate is ninety per cent. upon the tin imported, that is very clear; but it has been well said here that a portion of the material that is the subject of this rebate is of our own production.

I have been bringing goat skins into this country for the last twenty-five years, from the Cape of Good Hope. Intermixed with those were hybrids called Angora. In later years the requirements of trade have been that the two kinds should be separated, and we have been bringing into New York, Philadelphia and Baltimore the Angora goat skin. Under the present Administration it has been conceived that the hair of this Angora goat, which is a long staple, is of the Alpaca, which is dutiable at ten cents a pound. I suppose that we and others have fifty thousand of those skins that came into the market; I had some eight or ten thousand of them. They were received at the custom-house, and a duty demanded of ten cents a pound on the clear. When the hair is taken off the skin and prepared, it is sometimes used for rough carpets, and is worth fourteen or fifteen cents a pound.

Mr. NELSON : I rise to a point of order, that the gentleman is not speaking to the question.

Mr. DAVIS : What I want to get at is, that if you pass this resolution and mix the American with the foreign production, then you will be at the mercy of the custom-house. If you once get them mixed, you will find that there is no expert in the country that will be able to determine the proper proportions so as to do justice to the American exporter.

Mr. SMITH, of New York : Whereas nothing is done now, something might be done then, even if we did not have a very wise expert. We could not lose anything, we might possibly gain something. This Government is supposed to be paternal, and, if so, it ought to build up our export interests. It seems to me that as a kind, benevolent Government, it ought to try to do something for its children. I think it is a very simple request, and I am in favor of amending the resolution so as to ask the Government to remit all duties except enough to cover expenses of collection.

Mr. BUCHANAN : In the resolution are two distinct propositions, and I ask for a division. One proposition is, that the rate of drawback now allowed shall be increased, and the other, that drawbacks shall be allowed upon articles where they are only made in part from imported materials.

While upon my feet I want to say that I have no idea at all that this action is in the interest of the American manufacturer. It is in the interest of the producer and shipper of what we might call crude (not raw) material, for instance, cans for petroleum, bags for grain, and things of that sort. These articles are imported from Europe, and they go back to Europe holding the crude material. But I suppose the fact is, that if we did not allow these packages to be imported, we should not export nearly so much of this crude material as we now do, so that it is really in the interest of our commerce with other countries to allow these drawbacks.

The PRESIDENT : The question will be divided as indicated, and the Secretary will read the first part.

The SECRETARY read as follows :

Resolved, That, in the opinion of this Board, this constitutes an unjust burden upon American manufactures; that the drawbacks allowed should equal the duties paid, less the expenses of collection.

The resolution and preamble were both modified, and the proposition was adopted in the following form :

Whereas, Our system of drawbacks on manufactured goods exported allows on some goods but ninety per cent. of the amount of duties paid on materials used in their manufacture ;

Resolved, That in the opinion of this Board, this constitutes an unjust burden upon American manufactures ; and that the drawbacks allowed should equal the duties previously paid, less the cost of collection.

A motion to adjourn was here made by Mr. GANO, but was not agreed to.

Mr. SPERRY, of New Haven, moved that No. XXVI, relating to the creation of a Department of Commerce, be taken out of its order, and the motion was agreed to.

Mr. How, of Chicago : In order to bring the matter properly before the Board, I desire to offer the following resolution :

Resolved, That the National Board of Trade hereby re-affirms its recommendation to Congress for the creation of a Department or Ministry of Commerce, as a branch of the Executive Department of the Government, and to this end would urge the passage of House Bill No. 3036.

Mr. SPERRY, of New Haven : Mr. Chairman, I hope the gentlemen will bear with me a few moments while I present some views in relation to this Department. We have on several occasions passed a resolution favoring the creation of a Department of Commerce and Industries. There probably is today no subject that is staring the people in the face of more importance than this. Not only have we ourselves, as a Board of Trade, been calling for the establishment of such a Department, but a similar call has been heard from those who are employed all over the country. A few years ago we passed a resolution, and have continued to pass it every year up to this time, which reads something like this :

Resolved, That the fullest intelligence is requisite to the preservation of a proper equilibrium between the great industries of the country, and that a Department of Commerce and Industries should be established by Government, to gather the necessary information.

If ever there was a time in the history of this country when such a department was necessary, that time has come. Only two or three years ago a Congressional Committee was appointed to in-

investigate the causes of the depression of labor and business. Mr. HEWITT, of New York, was the chairman of that committee. It sat in Boston, New York, Philadelphia, and in the large centres, for the purpose of conducting its inquiry. What astonished me was that when six hundred men appeared before that committee, there were no two men who agreed upon the cause or causes which had led to depression in business. From that, what can we argue? The only conclusion, Mr. Chairman, that I can come to is, that the legislative body of the United States has not sufficiently looked into the matter, and has not passed a law enabling the people of this country to avail themselves of certain sources of information in regard to the depression in business.

We have what is called a census taken every ten years. The census of today is the old stage-coach of years ago as compared with the locomotive of today. The census of 1880 is not yet completed. The great object, it seems to me, to be attained by a census is information in regard to the interests of capital and of labor. But as matters stand now, it takes not only one or two years, but four, five or six years to secure information upon which business men would be in any degree justified in basing operations for the continuation of their business. Such statistics as are obtained are too old to be of any practical value whatever to the manufacturer or to the merchant. The census of 1880 has cost in all some six millions or seven millions of dollars, and is still incomplete. It may well be that if those statistics had been available at an earlier time, those six hundred gentlemen would not have so disagreed upon the causes of business depression. I would like to see immediate information given, such as could well be obtained by a Department of Commerce and Industries. Such a department could pursue its investigations in all the leading centres, and ascertain whether there be an over-production or an under-production of any particular kind of goods.

Commerce is the handmaid of industry, and the people of the United States desire such a department created as will give us proper statistics, monthly or weekly, if you please, showing the condition of our products in different sections of the country. Since this matter has received public attention, I have learned that the manufacturers in my own town have allowed themselves to be assessed from two hundred dollars to four hundred dollars a year for the purpose of ascertaining whether there was an over-production

in their line of business or not. I find that through New England many manufacturers have done the same thing. They desire to know whether their shelves are going to be full or whether there is going to be an actual need of more than they can supply.

We have what is called a National Bureau of Weather Statistics, by which the people of this country every day are informed as to what the weather will be for the next twenty-four hours. When that matter was first presented to the public, I suppose there never was a proposition so criticized and so ridiculed. And yet today there is not a man, woman or child who understands it that would be willing to see that Bureau discontinued.

If a Department of Commerce and Industries could be established, immense benefits would flow from it. If individuals can afford to spend their money in order to procure information upon which to base business operations, surely the Government can afford to do it. We may glorify ourselves in our national pride when the results of the census are announced, but I rather think that they are hardly worth one farthing, even although they cost seven millions of dollars, coming as they do at so late a day. Those statistics may enable us to rejoice over the possession of so magnificent a country and such a population, but so far as their practical fruits are concerned, they are completely worthless.

Mr. Chairman, I have a substitute resolution, which I would like to offer, and which I know will cover some of the points that will be embraced in some of the bills that are pending in Congress. This resolution is based upon and is a modification of the old resolution which we have passed year by year.

Resolved, That the fullest intelligence is requisite to the preservation of a proper equilibrium between the various industries of the country, and that a Department of Commerce and Industries should be established by Government to gather speedy information from all the great centres of the country, touching the productions into which capital and labor enter.

I ask for this resolution due and impartial consideration.

Mr. How, of Chicago: Mr. President, it is well known to the older members of the Board that the subject of the creation of a Department of Commerce has been upon almost every official programme since 1869. At the meeting in Richmond, in 1869, this proposition was introduced by the Baltimore Board of Trade, and it has been upon the programme almost every year since, and I think it has received the unanimous endorsement of the Board of

Trade on every occasion. At the meeting of the Board in Chicago, in 1873, the President, Mr. FRALEY, was requested to draw up a bill to be presented to the Board for consideration, and if it met its approval, it was to be urged upon Congress for adoption. Mr. FRALEY drew up substantially the bill which I now hold in my hand, and which was brought before the Board last year and approved. At the time Mr. FRALEY introduced this bill, he also prepared an address to accompany it, which address was published at that time.

The SECRETARY: It is to be found in the appendix to the volume for 1884.

Mr. HOW: Last year we had this bill presented to Congress by Mr. DUNHAM, a member of this Board, and also a member of the House from the First District of Illinois, and it was referred to the Committee on Commerce. It was so late in the session, however, that the committee were not able to consider it. Mr. DUNHAM, at my request, has re-introduced the bill at this session of the House, and it has been referred to the Committee on Commerce, of which Mr. DUNHAM is a member, and we hope that he will be successful in securing early action upon it by the Committee, and that they will report it favorably to the House.

Mr. SPERRY: Let me ask if it covers the idea which is now uppermost in the minds of the people — to gather the information as speedily as possible from all the leading centres of the country?

Mr. HOW: I think it does.

One or two words in relation to this bill, H. R. 3036. It was very carefully considered by the President, Mr. FRALEY, at the time it was drawn up. The only additional expense that it will devolve upon the Government will be for the salary of the Secretary and Assistant Secretary. The clerical force now employed in various departments would be transferred to the Department of Commerce. Up to this time the proposition has never received a very favorable consideration by the Committee on Commerce, but we hope that our able representative from the First Illinois District will have sufficient influence with that Committee to have the bill favorably reported and acted upon at this session.

Mr. BUCHANAN: I will say that this matter stands at present in this shape: The agricultural interests of this country have been

anxious to have a Department of Agriculture established. The Grangers have taken up the subject and have made a strong pressure in that direction. In obedience to the request of a number of Grangers in my own district, I have introduced a bill of that kind, and several other bills have been introduced looking to the establishment of a Department of Agriculture. In addition to that, the federations of organized labor throughout the country are pressing for the establishment of a Department of Labor, and the boards of trade and commercial bodies are pressing for a Department of Commerce. The result is that three departments are being asked for, and there does not seem to be much probability that three new departments will be created.

Mr. SPERRY: It is not necessary.

Mr. BUCHANAN: I feel no hesitation in saying — because it has already appeared in the public prints—that the Committee on Agriculture and the Committee on Labor, of which latter committee I have the honor to be a member, have had conferences looking toward the possible evolution of a bill for the creation of a Department of Agriculture and Labor or of Labor and Agriculture.

Mr. SPERRY: That is right.

Mr. BUCHANAN: It stands, so far as those two propositions are concerned, probably in precisely that situation today. It has been stated in some of the public prints that I have offered a proposition in the committee for the creation of a Department of Commerce and Industries, to have three bureaus, one for Agriculture, one for Labor, and one for Commerce.

Mr. SPERRY: That is right.

Mr. BUCHANAN: That was not my proposition, but I will not say that such a proposition has not been made. If anything feasible is to be accomplished in the direction which this Board has desired for years past, immediate attention will be necessary to be paid to the matter.

After further debate, Mr. SPERRY's substitute was agreed to, and the resolution was then adopted.

Mr. THOMPSON, of Baltimore. Out of consideration for the PRESIDENT, I move that we now adjourn.

At 10.25 P. M., the Board adjourned till 12 o'clock M., tomorrow, Friday, January 22nd, 1886.

THIRD DAY.

FRIDAY, January 22nd, 1886.

The Board was called to order by the PRESIDENT at 12.08 P. M.

Mr. THOMPSON, of Baltimore: I want to correct an error into which I was drawn yesterday. I supposed at that time that the house of LANMAN & CAMP was the only American house having a branch in Rio. I am glad to be able to state to the Board that J. A. FAY & Co., of Cincinnati, of which Mr. DOANE is the head, ARBUCKLES & Co., of Pittsburgh, and HART & RAND, of New York, also have branches in Rio.

The house of J. A. FAY & Co. have branches in Hamburg and in London.

The SECRETARY: The Cincinnati Chamber desires to bring up a question which was placed at the foot of the programme, the measurement of grain.

By unanimous consent the subject referred to was taken up for consideration.

Mr. MURRAY, of Cincinnati: I offer the text of a preamble and resolution, that we propose to submit on this question:

Whereas, The great diversity existing in the different countries of the world which export or import wheat and other cereal products, with regard to a standard measure upon which transactions and quotations are based, renders it difficult for dealers and others to readily convert quoted values into their own terms, thus tending to restrict international intercourse in regard to such products; therefore,

Resolved, That an uniform standard of grain measure for the United States and for other countries, especially for such as export or import wheat, as an international standard, should be established, and is hereby recommended; and,

Resolved, That the cental system, current in Liverpool and the Pacific States of this country, representing one hundred pounds avoirdupois, is hereby approved and recommended for general adoption by this and other countries as a standard for grain measure.

Resolved, That the various commercial organizations of the several countries contemplated by these resolutions be urged to entertain favorably this action, and to give their prompt and persistent support to measures having in view the object specified.

Mr. Chairman, not being a ready speaker, I have prepared a few expressions on paper on this subject, and shall be pleased to submit them for the consideration of the Board.

A large proportion of the countries of the world are exporters or importers of wheat and other grain and grain products, and in various countries it is important to grain merchants to keep constantly in view the situation with reference to supply and values in the leading markets of other countries. In this reference to this question attention will be confined to the article of wheat, which is the cereal in which the American farmer, exporter and trading operator is more interested than in any other, with regard to the influence of markets abroad.

Under the present order of things, there is no uniformity in the measure used to represent the quantity of wheat designated as the basis of quotations. This fact, with the distinctive money standards of the several countries, leads to complications in calculating the current values in different markets, the difficulties of which are overcome only by experts, while the larger proportion of merchants and tradesmen are in ignorance as to what the market specifications really imply.

So long as the United States shall produce a surplus of wheat in excess of domestic requirements, she must look to other countries for a market for this surplus — and domestic market values for this product will be governed or influenced by the situation in the importing countries in proportion to the volume of our exportable surplus. Therefore it appears desirable that the greatest facility should be had for a knowledge of current values of wheat in those markets abroad which have more or less influence upon our own markets — and to that end this effort in calling attention to the existing lack of uniformity in a standard of measure is to advocate steps which shall have in view the accomplishment of a standard which shall be generally adopted in the various countries which make exchanges of the wheat product.

In this connection, it may be mentioned that for a period of ten years ending with July 1, 1885, the annual exports from the United States of wheat, including flour, averaged one hundred and twenty-six million bushels, reaching as high as one hundred and eighty-six and one-half million bushels in 1880-81; for the last five years of this period the annual average was one hundred and forty million bushels. This export movement represented over thirty per

cent. of the entire production of wheat in the United States. With this large excess in production of wheat, it is apparent that the interests of producers and those who are traders in this product call for a knowledge of influences affecting to an important degree our markets for this cereal.

These exports of wheat largely exceed the average of any other country. For five years ending with 1883 the Russian empire exported an annual average of fifty-four million bushels of wheat, flour included — or less than forty per cent. of the quantity exported from the United States during the five years ending in 1885.

The annual average of the total of exports of wheat to importing countries is about two hundred and fifty million bushels — of which the United States has furnished about fifty per cent., and this country and Russia together have contributed about seventy-five per cent. in late years.

The United Kingdom stands at the head in imports of this product, and receives an average of one hundred and thirty millions of bushels of wheat, flour included a year, or fully half or more of the quantity of wheat moved from one country to another.

It is not deemed necessary to further refer to such details of the exchanges of those products between the countries of the world. We will now turn attention to the basis of calculations of measure in use by some of the different countries.

In the United States, exclusive of the Pacific Coast, the standard of measure is the bushel, and is understood to mean sixty pounds, for wheat. The Winchester bushel is the standard.

In the United Kingdom a great variety of grain measures are locally in use. The imperial bushel is the prevailing standard, which is slightly over three per cent. larger than the Winchester bushel of the United States — representing about sixty-two pounds of wheat as against sixty pounds by the United States bushel. Quotations in leading markets are chiefly for centals and quarters — the former being one hundred pounds avoirdupois, the latter understood to mean eight bushels, but in fact represents various weights, ranging from four hundred and eighty to five hundred and four pounds. Eight imperial bushels are equivalent to eight and one-quarter United States bushels.

In France, the hectolitre and the quintal are in vogue for grain measure, the former representing $2.83\frac{1}{2}$ United States bushels, the latter 220.46 pounds avoirdupois.

In Germany various grain measures are in use, the metric system having been introduced in late years to more or less extent, of which the kilogram represents slightly over $2\frac{1}{2}$ pounds.

In Russia, the chetwert is the prevailing grain measure, which is equivalent to 2.099 hectolitres, or 5.956 United States bushels; the kilo equals $2\frac{1}{2}$ chetwerts, or 15.708 United States bushels; the pood is 36.104 pounds avoirdupois.

The reference to diversity in these measures of calculation for grain might be greatly extended; but what has been cited will serve the purpose of illustrating the difficulty of convertibility of one standard to another, under the present order of things.

We believe it practicable for the several countries interested in the exportation and importation of grain to adopt an uniform standard, and believe that this standard should be one of weight, instead of volume, in all cases. We believe that if we talk of a bushel of wheat, it should mean a given number of pounds, instead of a certain number of cubic inches of measure. We also believe in the utility of the decimal system, and that the basis of calculation for wheat should be one hundred pounds avoirdupois, or a cental, as now current in Liverpool, and on the Pacific coast in the United States. We believe that the general adoption of such a standard would greatly simplify the means for knowing relative values in the various markets, and would serve a purpose scarcely second in importance to the accomplished enlargement of transportation facilities and of telegraphic communication.

The cental system here advocated conforms to the usual basis now existing for transportation charges, in this and other countries. It has every advantage which the decimal system affords, and must commend itself favorably to the consideration of thoughtful business men everywhere.

It may be urged that an uniform system of money should be advocated in this connection. This is a question which may have more of importance to the people of the world than the other, for its more general application, but it is deemed more likely that the one object may be attained than both, and that the accomplishment of the one in view would be an important step toward reaching the other, at a later time.

These expressions fall far short of what might be said in support of the question in thought, but it is hoped that they may serve in illustrating and pointing out the opportunities open for affecting a

great and efficient service in the interest of commerce in one of the most important products of agricultural industry.

Mr. President, in referring to the proceedings of this organization, I find that your first meeting, held in Boston, in February, 1868, favored the adoption of the cental system for all agricultural products, including the idea of two hundred pounds as a barrel of flour. I find that in the same year, at a subsequent meeting of this Association, held in Philadelphia, its previous action was brought up, and the Executive Council was instructed to take immediate steps to have such a system inaugurated. In December, 1869, at Richmond, the report of the Executive Council stated that a bill had been introduced in Congress, providing that all agricultural products be sold by weight, but that no action on the same had been taken. On the calendar of subjects was the question of an uniform measurement of grain for all states, and favoring the cental system for all grains usually sold by the bushel. In December, 1870, at Buffalo, the cental system was again on the programme for consideration, and elicited considerable discussion. In the course of that discussion it was shown that the system had been tried at Chicago, at St. Louis and Milwaukee, and perhaps at one or two other western places, but that, after a short trial, it had been abandoned. Finally, Mr. Gano's motion to memorialize Congress to pass a bill establishing the cental system was adopted. The present movement goes a little farther than the previous action, the previous action of this Board looking only to a domestic change to an uniform standard. This present movement is in the direction of an international change, with a view, as indicated in the remarks I have submitted, to facilitate commerce between this and other countries.

The preamble and resolution were unanimously adopted.

Mr. SAMPSON, of Boston: There was a matter put on the calendar before I arrived in Washington, which I should like to bring up now, as I shall be obliged to leave the city this afternoon. It is the resolution presented by the Merchants' Association of Boston concerning undervaluation of merchandise, and I will read it, if you will permit me.

The PRESIDENT: Will the Board proceed to the consideration of

the subject mentioned by Mr. SAMPSON? The Chair hears no objection.

Mr. SAMPSON: This is the resolution:

Resolved, That we urge upon Congress the importance of passing some stringent law to prevent the undervaluation of merchandise imported into the United States.

I believe that committees of the Senate and of the House have already been appointed, and are visiting different cities now, taking testimony in regard to undervaluations which have been going on, as alleged, to an enormous extent. It is estimated that the revenue has been defrauded by that means to the extent of nearly thirty million dollars. The Boston Merchants' Association would be very glad to have this Board sustain its action, and urge upon Congress the passage of such a law as is proposed.

Mr. THURBER, of New York: I should like to have the prevention of damage allowance frauds added, because that is almost as important as the other.

Mr. SAMPSON: I shall be very happy to include it.

Mr. THURBER: Then let these words be added: — "The prevention of damage allowance frauds."

The PRESIDENT: Does Mr. SAMPSON consent to that modification?

Mr. SAMPSON: I consent with great pleasure.

The SECRETARY read the resolution as modified, as follows:

Resolved, That we urge upon Congress the importance of passing some stringent law to prevent the undervaluation of merchandise imported into the United States, and for the prevention of damage allowance frauds.

The resolution, as modified, was unanimously adopted.

The PRESIDENT: Mr. CORBETT desires the Board to resume the consideration of the topic on the programme, referring to encroachments upon the navigable waters and harbors of the United States. That may be done by unanimous consent. The Chair hears no objection.

Mr. CORBETT, of Portland (Ore.): Mr. President, this matter was postponed until 12 o'clock today for consideration, and I now

call up the resolution, and offer an amendment. The resolution is this :

WHEREAS, Encroachments are constantly being made upon the navigable waters and harbors of the United States by the deposit of ballast and other material, and by the construction of wharves and other works, beyond the proper limits, so as to materially interfere with navigation and harbor facilities ; therefore,

Resolved, That the National Board of Trade respectfully recommends the enactment of a law by Congress authorizing the Secretary of War, through the Engineer Department, to define the harbor limits and lines of limits of navigable water-courses, within the jurisdiction of the United States, and within which lines and limits obstructions shall not be permitted.

And I offer the following, in addition to that resolution :

And we believe that the general provisions of Senate Bill No. 64 would remedy this evil.

Mr. THOMPSON, of Baltimore. I would suggest that it is not the purpose of this Board to advise Congress exactly as to what it shall do, but that it is rather our province to make general recommendations as to what Congress ought to do. I would therefore ask that the gentleman confine his question to the simple resolution presented yesterday, because I am very much afraid that if he attaches that amendment to it, he will not succeed in accomplishing his object.

Mr. CORBETT : Mr. President, I have no objection to that, but the subject was laid over, as I understood, for the purpose of allowing time for an examination of this bill. If it is thought best, the amendment may be withdrawn ; as for myself, I have rather an objection to alluding to a special bill in our resolutions.

Mr. HIGGINS, of New York : I wish to say that the objection to recommending specific bills is that we all come here hurriedly, and are anxious to get home again. My idea is that those who come here should come prepared to spend the necessary time to do these things with proper deliberation. That bill requires very careful examination, for I discovered this morning, in a casual glance at it, that it interferes materially with a bill which has been introduced in Congress in the interest of the New York Harbor. Yesterday, I did not take part in the discussion upon the jurisdic-

tion of the United States over navigable waters, but I was prepared to say that the United States should take jurisdiction over all waters where there exists a conflict of jurisdiction between States ; and I should like to see it limited to that, because when a State has jurisdiction, it seems to me that it ought to be quite competent to deal with the difficulties presented, except as regards light-houses, etc.

When you come to consider a general law for preventing encroachments upon harbors you will find the subject full of difficulties. For instance, a very large area of New York Harbor belongs to New Jersey, and the New Jersey people are very anxious to avail themselves of as much of it as possible for wharves and the like, on their shore. New York, on the contrary, does not wish too many obstructions upon that side, because it would increase the difficulty of keeping its bar open. We have asked for a commission to be composed of delegates from both New Jersey and New York, together with United States officers, to consider all these questions, which is far better than to ask the Secretary of War to decide them arbitrarily. I only cite this in order to show you that an examination of the bill with the utmost care is very essential. I think we lose our weight when we go too hastily. The discussion of the bill which we had in our Committee on Inter-state Commerce, is a sufficient indication to me of the exceeding care required in order to be able to look at these things intelligently so that we may arrive at satisfactory results. My point is, that if you recommend the adoption of a principle in regard to the obstruction of harbors, for instance, you do nothing ; but if you recommend a specific act, then you have weight. The resolution is right, and I am willing to vote for it ; but when it comes to voting for a bill, I want to examine it, because I might object to it.

The question was taken upon the adoption of the resolution as originally read by Mr. CORBETT, and it was unanimously agreed to.

Mr. POPE, of Chicago : The committee to whom was referred the subject of Inter-state Commerce is now ready to report. I would like to say, in a prefatory way, that our attention has been called specially to the bill now before the Senate, which is a long one,

and we have only been able to obtain a limited number of copies of it. It occurred to me, therefore, that it would be wise to have a synopsis made. Mr. HIGGINS has made such a synopsis, and I wish he would read it, if it be the pleasure of the Board, and if the time is sufficient. Our report is brief, and the synopsis is much longer. The discussion upon it can be left until after the recess at noon.

By unanimous consent, Mr. HIGGINS read the following:

SYNOPSIS OF THE SENATE BILL TO REGULATE COMMERCE.

SECTION 1. Provisions of the Act to apply to every description of carriers—whether between States or Territories—or from any place in the United States to any adjacent foreign country—or from any place in the United States through any foreign country to any other place in the United States. (Very full and all embracing.)

Latter part of the clause expressly establishes that all charges made for any service rendered, or to be rendered, in the transportation of passengers or property as aforesaid, or for the receiving, delivering, storage or handling of such property, shall be reasonable and just.

SEC. 2. Provides against a greater or less compensation being received by any process or device, whether for transportation of passengers or property, than is charged or received from any other person or persons for doing a like and contemporaneous service, in the transportation of like kind of traffic, under substantially similar circumstances and conditions.

Declares the offence a misdemeanor. Carrier shall be liable to refund difference. The chief officer of the corporation, or its traffic manager, or the officer or agent transgressing, shall, upon conviction, be punishable in any District Court of the United States with fine of \$1,000 for each offence.

SEC. 3. Provides that any common carrier subject to the Act shall, according to its respective powers, afford all reasonable and proper facilities for the interchange of traffic between lines, and for regulating and forwarding and delivery of passengers and property to and from their several lines and those connecting therewith.

Debars giving any preference or advantage to anyone; nor to subject anyone to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Provides for damages and punishment of fine of \$1,000, and also,

That the traffic manager, etc., shall also be subject to a fine of \$1,000.

SEC. 4. Provides that no carrier shall charge or receive greater compensation in the aggregate for transportation of persons or property for a shorter than for a longer distance over the same line in the same direction and from the same original point of departure. Such greater charge to be presumptive evidence of unjust discrimination, which may be rebutted by the common carrier.

Clause goes on to permit the Commission to authorize, in special cases, the carrier to do exactly what in foregoing is prohibited, and specifies cases in which such exceptions apply as where there is competition by river, sea, canal or lake.

Provides that excessive charge shall be refunded. Carriers to be fined \$500 for each offence, and the principal officer or traffic manager shall be subject to a fine of \$500 in addition.

SEC. 5. Provides that every common carrier shall, within ninety days after Act takes effect, file with the Commission copies of all tariffs of rates, as well as all details of every nature and kind, and from time to time all changes in same, that no preference whatever shall be given to the supply of cars, or of the movement of the same devoted to carriage thereunder; the Commissioner to prescribe the measure of publicity to be given rates, charges, etc., with all details thereof; penalty for non-compliance, exemption under Section four to be withdrawn. No advance in rates, etc., to be made without ten days' notice, but reduction permitted without notice, but to be made public and published in manner provided by Commission. All advances and reductions to apply simultaneously to all forwarders and receivers of like and analogous classes and kinds of traffic between the same points and for the same period. Provides for modes of procedure, writ of mandamus from Circuit Court of the United States to compel compliance, writ of injunction to restrain carriers from receiving or transporting property among the several States and territories,

etc. Provides that the court may award costs and counsel fees by way of penalty, as the Commission may deem just. Provides penalty of fine to carrier of one thousand dollars for each offence, and also officer or traffic manager to be also subject to fine of one thousand dollars in addition.

SEC. 6. Commission of five members appointed by President, by, and with advice of the Senate, to hold office, one, two, three, four and five years, respectively, beginning July 1, 1886, term of office to be designated by President; successor to be appointed for a term of six years. Vacancies to be filled for unexpired term of commissioner to be succeeded. Any commissioner to be liable to be removed for inefficiency, neglect of duty, or malfeasance. Not more than three of the Commission to be appointed from same political party. No person in employ, or holding official relation to any common carrier, or owning stocks, or bonds thereof, or who is in any manner personally interested therein, shall hold such office. Commissioner to have no other business or employment.

SEC. 7. Empowers Commission to make every inquiry into the management of the business of all common carriers and obtain every possible information needed; power to require attendance of witnesses, production of books and papers of every kind, and power to invoke aid of United States in enforcing its demands.

SEC. 8. Provides mode of procedure to get complainant before Commission; provides that if common carrier, within time to be specified by Commission, shall make reparation for injury alleged to have been done, carrier to be relieved of liability to complainant only for any other penalty. If not so done, Commission shall proceed to investigate the whole matter.

Commission to investigate all complaints of any railroad commission of any State, or territory, and may, on its own motion, institute any inquiry as to the complaint which had been made.

SEC. 9. Commission to make its findings in writing, and same shall be deemed *prima facie* evidence as to such findings. Same to be entered of record and copy to be furnished to complainant and the carrier.

SEC. 10. Commission to notify common carrier of complaint, and of the opinion of the Commission that violation has been committed and notice to cease therefrom, and if ceased within time specified, common carrier shall be relieved from further liability or

penalty. But if neglected or refused, then Commission to forthwith certify facts and forward copy and certificate to District Attorney of the United States for the judicial district in which the violation occurred.

SEC. 11. Additional provisions for procedure and allowance of costs, counsel fees, etc. In case of failure United States to pay necessary costs of suit.

SEC. 12. Provides for Commission on proceedings, majority, a quorum and other details.

SEC. 13. Salary \$7,500 each, Secretary \$3,500 a year, and other employes as fixed by Commission. Secretary of Interior to provide offices, witnesses to have mileage as in United States courts. How Commission expenses shall be paid.

SEC. 14. Establishes principal offices in Washington, but Commission may hold sessions in any part of the United States, and one or more may prosecute inquiries.

SEC. 15. Commission authorized to require quarterly and annual reports from common carriers showing stock issued, amounts paid therefor, and manner of payment of same, dividends paid and every financial detail. All other details of the whole business.

SEC. 16. To report all information obtained to Secretary of Interior and recommendation for all legislation needed.

SEC. 17. To inquire into "Pooling" and report what, if any, legislation is advisable.

SEC. 18. Security against evasions of Act.

SEC. 19. Exempts United States, State and Municipal property, charity objects, the issuance of mileage, excursion and commutation tickets, from operation of Act, provides that Act shall not destroy any existing right of action but all its provisions shall be in addition, no person shall at same time prosecute both remedies.

SEC. 20. Provides for appropriation of — dollars to carry out Act.

The Board took a recess from 1.50 to 2.30 P. M. to enable the delegates to pay their respects to the President of the United States.

The PRESIDENT: (After the Board had re-assembled.) At the

time the recess was taken, the reading of the report of the Committee on Inter-state Commerce was in progress. That will now be resumed, and Mr. POPE will present the remainder of the report.

Mr. POPE: This Committee regret exceedingly that they have been unable to obtain a sufficient number of copies of the Senate Bill with which to furnish each and every member of this National Board one copy. There seems to have been an unusual demand for them, but we have done the best we could. I will now read the Committee's report:

The Committee appointed by the National Board of Trade to consider the several propositions upon its Official Programme relating to Inter-State Commerce, report that very recently "A Bill to regulate Commerce" was presented to the Congress of the United States, by a Special Committee of the Senate, empowered to take testimony and fully investigate the wants of the entire country upon this important subject. The bill referred to is the result of the great labor and intelligent consideration of the whole question by the very able Senatorial Committee mentioned.

After a careful examination of the bill named, your Committee offer the following:

Resolved, That the "Bill to regulate Commerce" introduced into the Senate of the United States by its Special Committee, January 18th, 1886, and known as Senate Bill 1093, is (subject to the exceptions hereinafter named) heartily approved by the National Board of Trade; that it is to be commended, perhaps, as much for what it does not undertake to accomplish (all attempts to fix arbitrary rates being wisely avoided) as for the provision made for the appointment of a National Commission with ample power to regulate and remedy most of the evils now existing in Inter-State traffic.

We respectfully suggest the following amendments, which, in our judgment, would contribute materially to the efficiency and usefulness of the bill:

First—The striking out of Sec. IV, which prohibits the charging or receiving of any greater compensation in the aggregate for the transportation of passengers or property for a shorter than for a longer distance, over the same line in the same direction, and from the same original point of departure. This Board deems this to be an unnecessary restriction upon the freedom of transportation, and one in which its practical application would result in increasing rates charged for long distances, rather than in dimin-

ishing those charged for shorter ones. It would debar many important transportation lines from participating in through traffic for long distances, where the rates are too low to admit of their application to business terminating at local points on their several lines, such through traffic being a source of additional revenue at comparatively small additional cost. The remedy provided by appealing to the Commission would impose upon the transportation lines a serious burden, and the multiplicity of cases arising would overtax the Commission.

Second—The text of the second clause of Sec. I, on p. 2, makes the provisions of the Bill apply to the transportation of passengers or property by any vessel or vessels. In the judgment of this Board all matter relating to transportation conducted wholly upon or by water should be exempt from the terms of the Bill, the nation's waterways being open to free competition, and such competition being sufficiently extensive to afford ample protection to public interests, without further legal restriction.

Third—The salary named for each Commissioner, \$7,500 per annum, seems inadequate to secure that high grade of talent, which the important service contemplated clearly demands. The administration of these great trusts in all their varied and delicate bearings requires that order of character, intelligence, experience, and executive ability that is never idle, and always at a premium. The yearly compensation should not be less than \$10,000.

WILLIAM J. POPE, of Chicago,
E. P. BACON, of Milwaukee,
CHAS. B. MURRAY, of Cincinnati,
PHILO PARSONS, of Detroit,
A. FOSTER HIGGINS, of New York,

Special Committee of the Board on Inter-State Commerce.

The PRESIDENT: Gentlemen, you have heard the report, with the resolution attached to it, and the subject is now before you for discussion.

Mr. THURBER, of New York: I agree very generally with the points made by the Committee, and I think that the CULLOM Bill is a great advance upon previous action that has been attempted in this direction. I am not entirely clear, however, in regard to this Section IV, whether the allusion to this subject of long and short hauls should be stricken out. I am clear that it is impracticable to put matters of that kind in a bill without exceptions. I have not examined the bill closely to see whether the exceptions noted in the bill to such prohibition are sufficient to make it elastic enough for the railroads or not. Of course, in considering this

question, we must look at it from two points, — the point of the shipper and the point of the carrier. The great trouble heretofore, in all transportation questions, has been that there were two parties in interest, and that the carrier dictated absolutely to the shipper.

That has resulted in great injustice, and has given rise to a demand for some regulating legislation. It may be said that human nature is the same on both sides, and that if matters were reversed, there would still be injustice done. There are sections of our country which I think are subject to very great injustice in transportation charges, as for instance, on the Pacific Railroad, where the intermediate States and territories are charged double and treble as much for the services rendered, as are the people on the Pacific Coast. Freight was constructively hauled through to San Francisco at the through rate, and then constructively hauled back again to the intermediate point at the local rate, which was twice as high as the through rate for the short distance. In point of fact, however, it was not hauled through to San Francisco and back; it was dropped at the intermediate point, and then charged for the through haul with the addition of the local rate back. It seems to me that there was a very great injustice, for the reason, in the first place, that the rate was excessive. There are parts of the United States, — for instance, take points in Ohio and West Virginia, — that are charged two and three times the rates that are charged on through tariff. The local rates on the Baltimore and Ohio have been especially excessive.

Mr. SUPPLEE, of Baltimore: To inferior points?

Mr. THURBER: I mean local traffic on the Baltimore and Ohio; their rates are excessive, in my judgment. I was looking into this matter about a year ago, and found that they were very much higher than our local rates in New York. I do not care, however, to criticise the report of the committee, as doubtless they have given the subject more attention than I have, and have studied the provisions of this bill, which I have not. I only raise the point for the consideration of the committee and the gentlemen here. But I do say here that the CULLOM Bill, as far as is shown by the synopsis which we have heard this morning, is a very great advance upon previous efforts in this direction. I would like to hear from the members of the committee in regard to it.

Mr. LORING, of Minneapolis: There has been no question presented to this Board of such vital importance to the people of the Northwest as this one relating to inter-state commerce, and no city in the country is so much interested in this question, as the one I have the honor in part to represent, except perhaps the cities of the Pacific Coast. The Board of Trade of Minneapolis adopted this resolution, which is an index to the sentiment of the people of the Northwest:

Resolved, That our delegates to the meeting of the National Board of Trade be and are hereby instructed to oppose the recommendation, by that organization, of the so-called REAGAN Inter-State Commerce Bill, as being wrong in principle and injurious to the Northwest.

They supposed at the time they passed that resolution that the REAGAN Bill would come up again for consideration at this meeting of the Board. What they meant by that was to oppose the provision in the REAGAN Bill that there was not to be a larger rate charged for a shorter haul than for a longer.

Now, Mr. President and gentlemen, we received at the city of Minneapolis last year thirty-two and one half millions of bushels of wheat, thirty millions of which was ground into over six millions barrels of flour, and shipped to the seaboard.

Three hundred millions feet of lumber were manufactured, a large portion of which was shipped to points in Minnesota, Dakota, Kansas and Nebraska.

The jobbers of Minneapolis and St. Paul received from the seaboard over one hundred millions of dollars in value of merchandise, which was distributed from these points north and west.

These vast interests depend largely on transportation facilities, and no city outside of Chicago is more highly favored than Minneapolis in this respect; the competition between the sixteen railroads centering at that point, and the water route by the great lakes in the summer months, enable us to ship our products at rates of freight which would be impossible under the provisions of any bill regulating inter-state commerce, containing a *pro rata* clause, or a clause that no railroad should charge more for a shorter than for a longer haul. If a bill should pass Congress containing such conditions, the vast prairies of the Northwest, which are sending millions of dollars into the coffers of our Eastern friends, would go back to the Indians, and the gentlemen from

the great mercantile houses who ask us to abolish the tax on commercial travellers, would not be troubled about that question in the Northwest, as they would have no occasion to send drummers in that direction.

Under existing rates of freight, wheat can be delivered from the producer in Minnesota to the consumer at the seaboard, at about thirty cents a bushel. I have been informed by railroad men that under any rate that could be made, under any bill containing a *pro rata* clause, the cost would not be less than eighty cents a bushel, or \$4.00 per barrel for flour from Minneapolis to New York, a price greater than certain brands of our flour are now selling at in New York.

Mr. President and gentlemen, competition is the great regulator of prices in commerce, and the competition of our railroads with the water routes is the factor which makes it possible for the creation of great States like Dakota and Minnesota, with their millions of wealth, and the increase in their population of a million of people in a decade.

We of the Northwest are in favor of a law creating a commission, to which all matters relating to the question of transportation shall be referred, but we do not believe the time has come for the enactment of any iron clad law, attempting to regulate rates of freight between the East and the West.

Mr. POPE, of Chicago: I desire to say, that before presenting this report, I had not exchanged one word, nor even conferred, with the gentleman as to the sense of the Minneapolis Board of Trade, nor as to his own individual opinion. I also desire to say that I thank my friend, Mr. THURBER, for raising the point that he did. He has presented a very grave question, which exercises the minds of business men all over the country, and one not very easy to answer. No doubt there is a great deal of equity and justice upon that side of the case, but we, as a committee, after having discussed this question for a long time, — and perhaps no question before us has received more discussion at our hands than this one, — have reached this conclusion: That the benefits to be derived from what we recommend are greater than those that would come from the adoption of the law looking in the opposite direction.

Mr. THURBER has raised the point, that in many places in West Virginia and Ohio, and especially in Idaho, grievous and severe rates are charged. I would like to ask him if he really believes that those rates would be reduced, if the specially low rate from the Pacific Coast to the Atlantic, for example, or to other points, were entirely withdrawn. Our observation has taught us that wherever the lines cannot maintain their local rates, from which they derive their chief revenue, they will withdraw entirely from the through business, which is taken at low figures, and leave the local communities to pay the same as before. That is the consideration which led us to the conclusion which we have reached. Not that the local rate would not be too high; but how would the withdrawal of the through rates affect the people who pay the higher local rate?

There is another element that enters into it. Observation has shown that wherever a low through rate does exist it tends to reduce the local rate. The intelligence of shippers is such, and the force of public sentiment is such, that the officers of railroad lines are more ready to make moderate charges for local business when their through rates are very low, because unless they do, the contrast would become so sharp that it would provoke the indignation of the people. So the fact is that the lower rate on through traffic helps the parties at local points.

Mr. BACON, of Milwaukee: Mr. President and gentlemen, I hardly feel able to add anything to the able elucidation of this subject which you have heard from the chairman of our committee. The substantial points have been fully covered by his remarks.

It seems to me that after the statements he has made it is almost incontrovertibly shown that this provision of the bill is not only unnecessary, but that it would become entirely inoperative because of the latter part of the section, which provides, by appeal to the commission, for exemption from the restrictions imposed by it.

It may be of interest, however, to look a little further into the merits of the question. It is, at first sight, a very plausible proposition that rates for a long distance should not be, in the aggregate, to say the least, any less than for the intermediate or shorter distances. But, if that principle were put into effect, as has been indicated by Mr. POPE, we should find that the remote sections of

our country would be almost debarred from the use of railroad transportation facilities. The business of any line of railways consists largely of that which is naturally tributary to it at the local points, either originating or terminating at those points, and that is the class of business which every railroad first looks after. The rates for such business are fixed with reference to the cost of the service, and with a view of obtaining revenue from it. But when it reaches the *termini* of its line, it does not fix the rates with reference to the cost of transportation with the addition of a suitable amount for profit. It fixes its rates with reference to what it can obtain for doing the service, and we all know that that service is to a very large extent surplus business. We also know that the operating expenses of a railroad are, to a certain extent, fixed; that is, that they will necessarily reach a certain aggregate. While the addition to the volume of its transportation might be perhaps fifty per cent., or even one hundred per cent., as is often the case, from the through business, yet there would only be added to its operating expenses perhaps not more than ten or fifteen or twenty per cent. If railroad companies are to be debarred from that through business, as they would be by the application of such a rule as this, and the public be debarred from transportation facilities by rail over long distances, it would necessitate actually a higher charge for transportation to and from local points than are now charged, as the companies would be driven to derive their entire revenue from local business.

One word as to the justice of the matter; and I may take the illustration which has been cited by my friend, Mr. THURBER, in relation to the Pacific Coast. The rates between the Pacific and Atlantic Coasts are fixed, as every one of us at all conversant with transportation is well aware, by what it costs to transport merchandise by sea. The railroad lines between the Atlantic and Pacific are obliged to govern their rates to a great extent by the rates charged upon the ocean. They are not obliged to charge precisely the same rates, but they can only charge a sufficiently higher rate, in view of the greater dispatch, as will enable them to secure the business. But the starting point is, what it costs to do that business by sea. Our friends on the Pacific Coast are entitled to that privilege. If the railroads, after doing their intermediate business, find it remunerative to undertake this through traffic at rates which

compete with the ocean service, the railroads are certainly entitled to do so, and the public are entitled to use the railroads at those rates. Why is the man in Utah or Colorado, or any other intermediate point, entitled to the same rate? He complains to the railroad company for charging him such price as the company deems necessary, and at which it can make a profit for performing the service, that rate being the same as for twice the distance. He might as well complain that the Almighty did not extend an arm of the Pacific Ocean into the heart of the continent by means of which he might have access to the Atlantic Ocean by water. If the rate charged to Utah or Colorado, or any point in those States, is reasonable and equitable, that is all that the man in Utah or Colorado can reasonably ask.

We find a provision in this bill to the effect that rates shall be reasonable and just, and that any person who thinks himself aggrieved in regard to the rate for transportation, may have his remedy by applying, either by letter or in person, to the railroad commission and stating his case before it. He could probably apply more easily by letter than in person. The commission is then empowered to investigate it, and if, in its judgment, the rate charged is unreasonable and unjust, it is made its duty to so inform the railroad company. It is found, where State commissions exist, that such action on the part of the State commissioners is sufficient to correct the evil complained of, if it be proved to be an evil. It seems to me that in this way there is full protection to the public, without any such artificial restriction as is now proposed in the fourth section of the bill. We all know that *pro rata* charge was a favorite cry for years and years, especially in the State of New York. No doubt our friend, Mr. THURBER, is entirely familiar with that fact. But after years of discussion I think the public, as a whole, has become convinced that it is impracticable as a principle; it certainly has been dropped in that State. It never was put into effect there.

MR. THURBER: The reason of that was the lowering of local rates; that removed, to a considerable extent, the cause of the outcry.

MR. BACON: I think there was a general conviction on the part of the public that it was an impracticable and unreasonable principle.

Mr. THURBER: I think it was, so far as exact *pro rata* is concerned.

Mr. BACON: The measure proposed in the bill is simply a modification of the *pro rata* principle. It is an attempt to apply an almost identically similar principle in another form, and is an application which seems to be entirely unnecessary. If we had no such provision as this, requiring that the rate should be reasonable and just, it might be desirable to resort to some such artificial means, as this is, in reality, to secure reasonable and just rates.

I want to state further, in this connection, that there is a provision in the statutes of the State of Illinois prohibiting the charge of the same or a greater rate for a less distance. This general statute of Illinois has been in operation now for fourteen years. The chairman of the Illinois State commission told me in an interview, about a year ago, that this one provision had occasioned them more trouble and difficulty than all the other provisions of the law, and the commission was satisfied that it should be repealed, and it had recommended the repeal in its annual report for 1884. The facts stated in its report showed conclusively that it was an impracticable law. The commissioners were obliged to make rulings that were directly in the face of the law, and then shield themselves on the ground that nobody was damaged; that there was no injustice done by permitting the violation of the law.

Mr. NELSON, of Chicago: In short, the law is not enforced in that particular.

Mr. BACON: It has fallen into disuse by permission of the State commission. It has never been repealed, as I understand.

Mr. How, of Chicago: No, sir; it has never been repealed.

Mr. BACON: The fact that the commissioners found themselves in a position where they really had to recognize a violation of the letter of the law for the sake of both the public and of the railroad interests, it seems to me is conclusive evidence that, in national legislation, this ought to be avoided.

Mr. SUPPLEE, of Baltimore: As a director of the Baltimore and Ohio Railroad Company, representing the City of Baltimore, and charged with the duty of looking after the interests of that City in that Company, I occupy a peculiar position here.

I have asked the committee whether there is any one here who represents the railroad interests, either in a public or private capacity, and the answer is that there is not. I have asked, also, whether there are any members who are prepared to speak upon the general question of railroad commissions, and they inform me that there are none.

Mr. HIGGINS, of New York: The committee is quite ready to speak upon the subject of railway commissions.

Mr. SUPPLEE: I did not know that. I presume, from the resolutions that have come here, that this Board will be prepared to pass upon some bill, with reference to them. If you have noticed the public prints recently, you may have seen that Mr. GARRETT, President of the Baltimore and Ohio Railroad, has been put on record by the Associated Press as saying, speaking for that road, that it is ready for a national commission at once to settle the questions now in dispute between the trunk lines.

A DELEGATE: Mr. HIGGINS said the same thing before the committee that formulated this report.

Mr. SUPPLEE: While the Baltimore and Ohio may be ready for a railroad commission, I have grave doubts whether the general railroad interests of the country are ready for it, and I am more surprised that the members of this body, especially from the far West, should be ready to advocate any railroad commission bill.

I have listened to the eloquent remarks of the gentlemen in behalf of the creation of an American Mercantile Marine; they have great force. The reason we have no marine is because the people have been spending their energies in developing the internal resources of the continent; it has not been necessary, so long as a man could make twice the wages as a brakeman upon a railroad that he could as a sailor, for him to follow the sea for a livelihood, and he has been content to be a brakeman.

Again, the resources of this great nation have gone into the development of the West; and the railroads have done more for the West than all the patriotism and all the private investments put together, to make that virgin soil blossom as the rose, if I may use the figure.

Again, speaking for the Baltimore and Ohio Railroad Company,

it has built a line two hundred and ninety-two miles long, known as its Chicago division. That was built directly out of the treasury of the Company, and neither stock nor bonds were placed on the market. That division has never paid the Company one cent. Why? Because the rate at which grain has been carried from the market of Chicago practically has been a losing one, and frequently has not paid the cost of axle-grease. Are we to understand from these gentlemen who come from the West that they desire to establish a commission which will fix rates arbitrarily?

Mr. HIGGINS, of New York: Will you allow me to say for the committee, that this bill does not undertake in any way whatever to fix arbitrary rates? Bear in mind, further, that our report opposes any legislation that shall debar you from getting all the business you can at Chicago at the current rates. It does not propose in any way whatever to fix any rates for you; and we also recommend that the railroad companies shall not be debarred from either long or short hauls at any rates at which they please to take them. I make this point because I think you are speaking under a misapprehension.

Mr. SUPPLEE: I am speaking on the general question.

Mr. HIGGINS: Certainly nobody in the West desires to do anything against the interest of the Baltimore and Ohio Railroad.

Mr. SUPPLEE: Although one of the youngest members on this floor, if you will permit me, I will say that I think the effect of these bills, sooner or later, will be to cripple railroad property; that, instead of assisting, you are going to retard, the railroad progress of the country. If I am wrong, I am willing to be set right.

As far as this report is concerned, I shall vote for it with great pleasure. The gentlemen seem to have looked at these questions with a great degree of intelligence, and I am surprised that they have been able to bring in such a report as they have made in so short a time. If questions which the greatest railroad minds have looked at for years can be settled in twelve hours, it looks as though they had studied the subject at home. There are some men on this floor who have a national reputation as being opposed to the railroad interests of the country. Who owns the railroads? The popular impression is, that a few individuals like the present

Mr. GARRETT, Mr. VANDERBILT and Mr. JAY GOULD own them. There never was a greater mistake. The bondholders own them. Who are the bondholders? The railroad magnates own the first mortgage bonds of railroads for their wives and children, but the stock is owned by widows, orphans and trust funds.

Go back to the Granger excitement of 1872. These gentlemen from the West are more familiar with that than we are. I tell you that it was the Granger excitement that brought on the panic of 1873, which left such wide-spread destruction in its path, and has injured railroad bonds as a profitable investment.

Again, why should railroads be hampered any more than the wholesale dry-goods business? Why should the Baltimore and Ohio, or any other company, be subject to the supervision of a railroad commission any more than any great business house? The answer is, of course, from everybody, because they are common carriers. Every man says, because they get their rights directly from the people. I grant that. But, at the same time, you and I are engaged in trying to hold our own against all competitors, and we do not like to be hampered. We have to contribute for the general welfare by the payment of taxes, both local and State. If Mr. THURBER, for example, with his magnificent enterprise and devotion to business, has succeeded in building up a large wholesale grocery trade, is that any reason why the law shall help me to also build up a similar trade? Give every one a free field and a fair fight.

Mr. THOMPSON, of Baltimore: Let me call the gentleman's attention to the fact that Mr. THURBER, in the conduct of his business, does not require a charter from the State of New York.

Mr. SUPPLEE: In the course of my remarks I admitted that fact; but he has protection from the City of New York. He has no charter, but he could not do business without the protection of the policeman that paces his beat in front of his place of business. He takes protection from me, as much as the railroad company, if I happen to be a tax-payer in New York.

One more point. Is there any gentleman here prepared to give us the effect of the railroad commission law in any particular State? South Carolina has tried one, and is ready to give it up in disgust, and I speak by the card. The merchants, a few years ago, asked for the law, but now they wish to get rid of it. The effect of

railroad legislation at once is to take off through trains and Pullman cars, and it does away with commutation tickets, mileage tickets, school tickets and all that, and makes a railroad like a turnpike, with its system of tolls; and you and I, who are in a hurry, are the first men to complain.

Again, this legislation in regard to freight rates invariably works against the State. It is simply folly to contend that a railroad shall charge no greater rate for local than for through freight. We in Baltimore have contended for years for a differential rate, for Baltimore is two hundred and fifty miles closer to Chicago than New York. We went to Judge COOLEY and to Mr. THURMAN, and stated that we were entitled to a differential of fourteen cents. They gave us that, but it has since been put down to three cents, and it costs the Baltimore and Ohio immensely to maintain the three cents. The Baltimore and Ohio says today that if the New York Central will make a rate of three cents to New York, Baltimore will have it for nothing, for it will preserve the differential.

If the New York Central had to live off of its through business, it would have been driven to the wall long ago; but its local business with Rome and Troy, and points on the Hudson River, is what enables it to wage war so relentlessly.

If we attempt to go into this question thoroughly now, this year will not suffice to debate it. However, I am prepared to approve the report, and hope the President will pardon me if my remarks have taken too wide a range. I only wanted to be put on the record correctly. I did not want to be quoted at home as having voted for a railroad commission bill, to authorize the exercise of arbitrary powers on the part of the United States Government by attempting to compel something which cannot be done.

Mr. CORBETT, of Portland (Ore.): My friend, Mr. BACON, has alluded to the Pacific Ocean, and I have thought that possibly I might throw some light on that subject which I have considered to some extent, being a merchant of long standing on the Pacific Coast.

Freight transportation by sea is about forty to fifty cents a hundred to Portland, Oregon, and less, perhaps, to San Francisco. That is about the rate with which the railroads have to compete for certain classes of goods. It is, perhaps, a fortunate thing for us, that we are located upon navigable waters, where vessels can

reach us, so that we have these low rates of freight. The through lines of railroad are, of course, obliged to compete, to some extent, with the ocean carrying business, in order to get any portion of it. In other words, they have to fix a rate that, considering the insurance, the interest on the money, the risk by sea, damage and other things, it can be done for profitably, and that rate is from sixty to eighty cents a hundred for that class of freight; and they are either obliged to take freight at those rates, or not have it at all.

It has been stated here that the local freights to the interior are what enable the railroads to transport the goods across this country at this small cost, for this great distance of three thousand miles. It is self-evident that if they were obliged to depend on the rate of freight that is fixed by the shipping interests that come to our shore, if they were obliged to take the rate of freight, considering all these matters of interest, insurance, and everything of that kind, they would be obliged to stop their through freight business; it could not be made to pay.

I have looked at this subject. It is a question that has come up in our community. The people there hardly comprehend it. The Granger interest, as they call it, want to fix a *pro rata* charge; they have advocated the REAGAN Bill in the Legislature. It is a want of knowledge, really, of these questions, that have been so ably discussed by the committee reporting this bill, that leads them to take the views they do. It might, perhaps, be well to strike out the fourth section of this bill in order to make it practicable. If that is retained, it seems to me it would be impracticable for the railroads on the Pacific coast to do business. They take this freight through to San Francisco, at, say sixty cents a hundred. The Central Pacific have charged, as stated by Mr. THURBER, a constructive rate to San Francisco, and then local rates back to Nevada. That is a sparsely settled country, and of course they have to pay a high rate for freight.

Mr. DORE, of Chicago: Mr. President, I inferred, whether justly or unjustly, from the remarks of the gentleman from Baltimore (Mr. SUPLEE), that he labored under the impression that there was a feeling of hostility among the members of this Board, to the interests of railways. If it was his intention to convey that idea, I desire that it should not go unchallenged, for I am unaware that there is any such feeling on the part of any delegate here. I

believe that every member of this Board, and the community at large, fully appreciates what the railroads have done for the country. That they have very materially aided in developing the West, I think I know. That they have had great encouragement to do that, I also think I know. In my opinion,—and I believe I have had some opportunities of forming an opinion,—there is not a better railroad service in the world than we have in the United States. I think there is no other nation that gives equal facilities for travel for the same money. I do not believe that freight is anywhere carried as cheaply by rail as it is in this country on the great trunk-lines. But the question with the community is, not whether freights are cheap or dear for the kind of service performed. The question in the West is, I think, whether they are the cheapest possible. If they are not the cheapest possible, we believe that the producers of the country are entitled to something further. That is all there is to it. There is no hostility to railroads as railroads.

Mr. SUPPLEE: It was far from my intention to say that any one here is hostile to railroads. I was speaking for a larger constituency than the gentlemen present. In the report of the committee, the railroads are treated with consideration. I must apologize if I have created any such impression in the gentleman's mind.

Mr. HIGGINS: Mr. Chairman, I have had the honor of being one of this committee, and I approached my duties with no little diffidence. I confess that the subject was quite new to me. It took but a few minutes, however, for me to feel a great relief, because of my association with the members of that committee. I have had inspired in me a life-long respect for the gentlemen who are upon that committee, for the exceeding fair and generous manner in which this whole subject was discussed by them.

I ought to say, in reply to my friend from Baltimore, that this committee had before it the fact that a commission had been requested of Congress, and resolutions which were before us followed out a line of inquiry with a view of seeing what that commission had accomplished. When the cry from this country went up with such strength that Congress found it necessary to appoint a special committee to inquire into the grievances which were the subject of complaint, I considered that there must be some foundation for it.

At all events, I do not propose to question it. It is certain that Congress did appoint a committee, and that that committee has made its report, a report so long that as yet we have only been able to glance at it; we have not begun to analyze it. It was supposed, however, that the gentlemen of that committee would be the wisest, that they had the most complete knowledge, and would be able to frame a bill calculated to meet the emergencies and the evils discovered in the course of their investigations. Therefore we approached that bill as something to be respected, something to be studied and, however much the railroads may object to it, as something that would meet the difficulties. We were struck with the exceeding fairness of the bill, to commence with; in order to meet the particular point which Mr. THURBER suggests, it is distinctly provided that under no circumstances shall any unjust or improper charges be made. There is also prohibition against local rates being in excess of through charges. When I saw that, I confess that my mind instantly responded, That is fair. Not at all, said my friends; that would be destruction. Then I opened my mind to their views upon the subject, but they have not stated them entirely here.

In the first place, the through rate is fixed under anomalous conditions. You must remember that none of this trouble about through rates arises except where there is a serious and bitter competition between different lines. It does not arise where there is only one line running to a city, that is certain. When bitter competition arises, an unnatural state of things is created. The city that has the advantage of that competition gets it in the lowest reduction of freight that by any possibility can be afforded by any road for handling the goods. But why should the man at an intermediate ordinary station say that he wants the same advantage? In the first place, he is not under the same conditions; he has no competing lines to his place. When such a person attempts to force the single line to a reduction to correspond with the condition of the man who has the advantage of competing lines, he is seeking to avail himself of an unnatural condition of things, and there is no equity in the case. You might as well ask the Almighty to extend an arm of the lake to his neighborhood. When cities are so situated that they have not the benefit of competition, they have no right to expect the same low rates that places having competition enjoy. That struck me with great

force in committee. It was distinctly shown there that these through rates were very low, offering no sufficient compensation to the carrier as compared with the service performed. It was shown how cities and towns like Minneapolis and places in Dakota were created by railroad facilities. Without those facilities the Western farmers would be compelled to withdraw their machines, and stop producing, because it is only by means of very low rates that they are enabled to put their products on the market so as to compete with farmers living nearer the seaboard. The whole development of the West has depended upon the maintenance of these through rates. We all want the greatest development of the whole country. I felt that that of itself was a very great consideration.

These things were taken into account, in connection with the fact that the bill provides an absolute remedy for every evil that this commission would encounter, and that any man who feels that his rate is excessive has a right to appeal to the commissioners and bring his trouble before them, and it is made their duty to inquire into it without cost to the complainant. I felt that that was all the remedy which any reasonable person could expect.

We found also, as we believed, evidence in the bill itself, that the very men who put that clause into the bill did not expect that it could be maintained, because, as you will see in my synopsis, the rest of the clause neutralizes it, for it provides that the commission, in its judgment, may remit or except from its operation any part of a road to which it considers the law should not apply. What, then, is the use of the provision? It goes on to specify certain cases in which it is evident that the commission ought not to have any hesitancy, and that is where there is close competition from canals, rivers, or lakes. We felt that that was an indication that the gentlemen who drew the bill did not think much of that clause. So we thought it better to meet it squarely, and to suggest that it be stricken out. If we have erred, I am sure that we have erred on the side of both parties interested.

MR. THURBER, of New York: I should just like to say a word on one or two of the points which have been made. I consider that Mr. BACON and Mr. HIGGINS have brought out a very important point, in calling attention to the section which says that all rates shall be reasonable. As I said in the beginning, I was pre-

pared to have exceptions in a provision like that of Section IV, so that it should be made sufficiently elastic for the railroads. But at the same time there are two sides, as stated by Mr. POPE, to this question, and I think when this bill comes before Congress, you will see that certain members will want some provision of this sort. Take, for instance, the proposition that it is unreasonable to require a road to carry at the same rate for short distances as for long distances. Everybody will say at once, that that is unreasonable. But to say that a road shall charge more for carrying, say, two hundred and fifty miles than it charges for carrying a thousand miles is another question. It is a question of degree, to a very great extent. There are two sides, undoubtedly, to that question. This committee has given to the bill careful consideration. There are other points that, if time permitted, I should like to dwell upon, but I will not do so, and will only say that I am prepared to adopt this report.

Mr. McLAREN, of Milwaukee: Mr. President, I want to give my hearty thanks to the committee who have so very carefully and thoroughly considered this question and reported to us. I know that they have done so at a great expenditure of time and thought. They have given time and labor that no other delegates have given, and in the result of these labors every member of this Board must be deeply interested. At the same time, I almost envy these gentlemen the privilege they have had of considering this question so fully in all its bearings, and especially in its bearings upon the bill which has been reported in Congress.

We have had placed in our hands a bill of twenty-one pages, and we have heard read a synopsis of that bill, making its provisions very clear and distinct. Now, Mr. President, I am not afraid, as a member of this Board, and never have been, to vote for a particular bill or question in detail. But I do not want to see this Board vote for anything until it thoroughly understands it, although I should like an expression of the opinion of the Board this morning. I consider it utterly impossible, however, for us to properly consider a bill of twenty-one pages in length, in the three hours before the absolute close of our meeting. If this bill were brought up in the shape expressed in the first section, I should be prepared to vote most heartily for it.

Mr. HIGGINS: The bill does nothing more.

Mr. McLAREN: I have not been able to read the bill; I have only glanced at it sufficiently to see that there are some things in it that I very seriously question. There are certainly some changes I should like to suggest before endorsing the bill. Still, I have been very glad to see that the Board has taken a step in advance of its previous action on this subject. The Board has several times decidedly endorsed the opinion that a commission ought to be appointed to regulate this whole question. Last year the Board adopted a proposition that came from the New York Board of Trade and Transportation, as follows:—

Resolved, That Congress should, without delay, enact a law for the regulation of inter-state commerce; that acknowledged wrongs should be prohibited, and remedies provided so simple and practicable that the individual citizen in any part of the country may avail himself of them; that a National Board of Railroad Commissioners should also be established as an executive and supervisory body to study the transportation problem, and see that the laws relating thereto are complied with. (Proceedings of 1885, p. 68.)

That whole question was referred to a committee of five, who were instructed to report at the next meeting of the Board, or to the Executive Council. I do not understand that that committee has made any report, either to the Executive Council or to the Board. It seems to me, Mr. President, that, at the expense of a year's delay in this matter, it would be wisdom in us to wait, and see that we are sure before we take any such definite and minute action as is proposed to us now. I should like the subject to have such consideration as could only be given by weeks and months of thought and investigation. Let us take the resolutions to our respective Boards of Trade for them to consider; and let us consider them, and when we send our delegates here another year, we shall have some thoughtful, careful, well-advised, fully considered expressions of opinion to make upon this very important subject.

Mr. HOLTON, of Milwaukee: I am not the owner of any railroad property, or the representative of any railroad interests. Unlike all the other gentlemen here, I presume, I am a farmer, and live by the sweat of my brow.

A DELEGATE: A Granger?

Mr. HOLTON: A Granger. I have lived to see the railroad system of this country, originated by the people in their respective States, drawing all its powers from the States themselves, under

the patronage and regulation of the States, rise to its present proportions of grandeur. Billions upon billions of money, under the patronage of the several States, have been drawn from the pockets of our people, and from the reservoirs of wealth all over the world, to enter into this railroad system. The gentleman from Chicago, lately returned from a long and extensive journey in the old world, declares to us that in Europe there is nothing like it. I believe that is so.

I have to thank these gentlemen, my associates here, for the very careful attention they have given to this subject. I have no doubt that they have approximated to the best thought that this Board is able to give. I know that my friend Mr. BACON has for years led a controversy in our State on the question of regulating home traffic among our own people. In our State, in the conduct of railroad matters, we have inaugurated a commission, and we have enacted what is called the POTTER Law, greatly to the disgust of the capitalists of Wall Street. I was almost called a robber by my personal friends in Wall Street, on account of the POTTER Law, which says that the railroad managers shall conform to regulations, and creates a commission to enforce them. The consequence has been most happy, and our railroad magnates and managers, able and powerful men, have come under those regulations. How happily has Minnesota carried out the idea within the last year. There were extraordinary conditions placed upon the traffic of Minneapolis, and they were very burdensome. The State of Minnesota, however, stepped forth, in her majesty, and put her hand upon that difficulty and regulated it at once, so that the business of Minneapolis could have its fair opportunity. My friend, Mr. BACON, has conducted a controversy with the railroad men in Wisconsin most successfully, where there were certain regulations which worked against our own city. How was he able to do it? He was able to come right face to face with the managers; he was able to go to the cities, and he was able to go to the legislature. The managers knew this. They accepted the conditions that were laid down, in order to correct the evils.

The citizens of the several States have retained to themselves, and there is reserved to them, this right of challenging the behavior or conduct of railroad managers everywhere. I am opposed to taking part or parcel of the business of railroads out of the custody of the States, and transferring it to the Federal power.

Simple as you may say that is, calling it inter-state trade, I hold that no railroad commissioner can come into the State of Wisconsin under appointment from the Federal Government, and meddle in any degree with the regulation of matters under our railroad system, or that he can enter into the State of Pennsylvania and meddle with the railroads there. I understand that you want the commissioners to come in to regulate the continuous trade between States. As far as my humble opinion is concerned, I propose to leave this great problem, that has gone on in such a marvellous manner, bringing to us all such marvellous advantages, to the people of the several States still to manage. I do not know how capital can be protected, as was suggested by the gentleman from Baltimore, if you now take part or parcel of the regulation of this trade out of the hands of the States and put it in the hands of the Federal Government. I question very much the propriety, as well as the right of doing this. Suppose I live a thousand miles from Washington and am conducting business all over the country; if I have a controversy with a railroad I must come a thousand miles to reach the commissioners to settle that controversy. It would be out of the question.

Mr. THURBER, of New York: This inter-state provision is only for dealing with questions that the State commissions cannot deal with.

Mr. HOLTON: Our own commission will deal with them, and will deal with them justly and honorably. My State will take care of me, and in New York I think your commissioners will take care of you.

Mr. THURBER: Yes, but we have plenty of traffic originating in our State that goes beyond, and with that our commissioners cannot deal at all.

Mr. HOLTON: Can't you trust anything to competition? Must you have a set of commissioners at Washington to manage your business? I think you are competent to manage your own contracts.

Mr. GANO, of Cincinnati: Mr. HOLTON, of Milwaukee, has presented some views in regard to this matter that I cannot help very thoroughly endorsing. There are equities in it that it is proper for us to consider. If I owned a railroad which owed its existence to

the power of the State, and had its charter from the State. I would test the constitutionality of any Federal law proposing to regulate the administration of its affairs in that State.

Mr. HIGGINS: That is not proposed.

Mr. GANO, of Cincinnati: You must certainly do so, if you come to consider that line as part of a through line. The Government has nothing to do, in my opinion, with the administration of any railway which does not derive its charter from the Government. On the other hand, as a citizen of a State, I would resist to the utmost the outrages that my friend Mr. THURBER complains of, perpetrated every day by railroad managers upon the commerce of the several States, involving as well the commerce of the whole country. It has been well stated that there are great inequities in regard to local traffic. I can give many illustrations which are perhaps familiar to every man here. Citizens of our State who have had occasion to ship freight to California have found it better to send it to New York in the first instance, and have it there re-shipped to California. I presume my friend Mr. DOANE can give such instances. I suppose there is hardly a man present who has not known some instance of this kind of discrimination. Merchants of Dayton, Ohio, proposing to ship goods to any of the sea-board cities, first bill them to Cincinnati and have them re-shipped. There is manifest injustice in this; but if the citizens of the States will not undertake the regulation of the matter, I am very certain that reform will never be accomplished, and I do not think it ought to be.

I am not lacking in appreciation of the report of this committee; I should be extremely loth to suggest any criticism of their action in any degree whatever; but I sympathize very cordially with my friend Mr. McLAREN, of Milwaukee, in the opinion that there is so much in this that we had perhaps better let its determination lie over for consideration hereafter. And if I am not out of order, I will now make a motion that this matter be referred to the Executive Council to make such disposition of it as they may see fit.

Mr. THOMPSON, of Baltimore: I second the motion.

Mr. POPE: This committee, I beg to assure you in advance, will not feel personally aggrieved or affronted with any disposition

whatever that you may choose to make of the report. We are but your servants. I desire to say, however, that I think it is my duty, as a member of the committee, to correct some misapprehensions that seem to exist in regard to this measure. As to what Mr. McLAREN has said, from the report of last year, and also from the action that has been taken by this National Board during the four years that it has been my pleasure to be a delegate, we have, from time to time, in the plainest terms, recommended the appointment of a national commission for the control or regulation, or at least for the consideration, of this whole question of interstate commerce. We are on record two, three, or four times on that subject, and at our last session we passed the following :

Resolved, That Congress should, without delay, enact a law for the regulation of inter-state commerce; that acknowledged wrongs should be prohibited, and remedies provided so simple and practicable, that the individual citizen in any part of the country can avail himself of them;

and recommending finally the appointment of a commission. There seems to be a misapprehension about the bill. It is proposed to do just what Mr. McLAREN, to my certain knowledge, has voted for year by year. If this bill were designed to regulate railways, I for one should oppose it. I have never been an agitator, I have always been a friend of railroads. I will not say that I have never been an agitator, but I have never been a contestant in the sense in which Mr. BACON has been, and I thank him, and also Mr. THURBER for what they have done. I am today friendly to railroads. This bill proposes to do nothing more than has been recommended by this Board from time to time; it does not propose to regulate railway rates at all. Our report states that it is to be commended as much for what it does not undertake to accomplish — all attempts to fix arbitrary rates being avoided — as for the provision it makes for a national commission. The bill simply provides for a commission, and then for the hearing of complaints, and then for the methods of procedure. I can assure gentlemen that that is all there is in it. My friend Mr. HOLTON has a wrong impression if he thinks that a man would have to come a thousand miles to Washington in order to have his complaint heard. The bill provides for the certification of that complaint by the United States District Court for the district in which such violation of law has occurred. It provides further, that if you make a successful prosecution of the complaint, the defendant

shall refund to you all costs to which you have been put, together with your counsel fees, etc. If you are unsuccessful, then the cost is borne by the United States. The commission, under the proposed bill, does not necessarily have to sit at Washington all the time, but may hold sessions at any place in the United States.

Mr. HIGGINS, in referring to the congressional report, said we had not had time to read it. I desire to correct any wrong impression that may have been left on your minds to the effect that we did not read the bill which followed the report; we did read it most thoroughly. I desire you to bear in mind the distinction between the report and the bill. The report of the testimony that accompanies the bill covers two hundred and sixteen pages of printed matter, and even that we have gone through pretty well. The report is printed under the title "National Commission; its establishment recommended for the enforcement of legislative provisions." Mr. ALBERT FINK and Mr. CHARLES FRANCIS ADAMS, President of the Union Pacific Railroad, are some of the men who testified before that committee upon the railroad side of the question, in favor of a National Commission. Upon the opposite side, those favoring a commission are almost counted by the legion—such men as ex-Governor CLAFLIN, of Massachusetts, Mr. RICHARDS, of New York, Mr. BOGUE, of Chicago, ROBERT ELLIOTT, one of the ablest men upon railroad matters any where, Mr. CLARK, of Philadelphia, Mr. MEDILL, of Iowa, Mr. DALRYMPLE and Mr. DEANE—all these gentlemen gave their testimony as to the appointment of a commission. You cannot appoint a commission without some law, can you? Mr. McLAREN wants a commission, but he wants the appointment put off. Can you ever get a commission appointed without a law which will in the first place enable the members to draw their salary, and providing methods of procedure and for the hearing of complaints? That is all that this bill proposes to do. With this explanation I leave it entirely at the disposal of the Board.

Mr. GANO: Upon the representations of Mr. POPE, I will withdraw my motion to refer the subject to the Executive Council, and I am quite willing that the vote should be taken.

The PRESIDENT: The proposition to refer this subject to the Executive Council is withdrawn.

Mr. McLAREN: I desire to offer a resolution. My friend, Mr. POPE, has stated that I was in sympathy with the proposition that a commission should be appointed. He stated that quite correctly. I am on record in the proceedings of the National Board of Trade upon that question. I accept Mr. POPE's statement as to the scope of this bill, but I do not like the idea of voting on twenty-one closely printed pages, without knowing myself what they are; I want to read and judge for myself. As I said before, I have seen some things in it that I do not quite like, and there are also some things not in it that I should desire to insert. I wish now to move the adoption of this resolution:

Resolved, That the report presented, and the whole subject under consideration, be referred again to the Committee, with instructions to report again to the Executive Council, at least sixty days before the next annual meeting; and that the Council be asked to present said further report at once to the constituent bodies, asking them to specially consider the conclusions and recommendations presented, in order that the delegates to the next annual meeting may be prepared for a careful and intelligent discussion of the report, and for action thereon.

Mr. HIGGINS, of New York: I merely wish to state that this opposition, while eminently proper in itself, cannot have the slightest application to the bill before Congress. We have Mr. REAGAN's bill and Mr. CULLOM's bill, both of which are before Congress.

Mr. McLAREN: And both of which have been there for the last five or six years.

Mr. HIGGINS: This bill of Mr. CULLOM is the summary of the wisdom on this subject, which has been elicited by the Senate Committee, and there should certainly be some action upon it. It seems to me we should waste our power if we deferred action upon it. I think I can safely affirm that the synopsis read here gives you every particular of the bill in a form which every man can understand. Mr. POPE has not misstated the matter in saying that these twenty-one pages are filled more with the details and modes of procedure than with the *point d'appui*.

Mr. THURBER, of New York: I hope this motion of Mr. McLAREN will not prevail. We must do something. While I do not agree with all the provisions of the bill, I do want to get the subject to a focus.

Mr. BACON, of Milwaukee: Before this question is put I wish to answer briefly one or two objections that have been made. I wish to say, in the first place, that this bill, which is now before the Senate, is the result of years of study on the part of the Senate Committee, by whom it was introduced, and that that Senate Committee supplemented those years of study with six months of personal interviews, with railroad managers and business men who have had to do with the transportation of freight through all this country, by holding sittings at the principal cities. This report is now brought before Congress, as the result of all that labor and careful study on their part, for action. The bill is, to a certain extent, what might be termed, perhaps, a competitor of the REAGAN Bill. But the projectors of the REAGAN Bill have not had the advantage of this information and this communication with the public upon the subject, as the Senate Committee have. I know that the Senate Committee would be greatly sustained and helped toward the passage of that bill through the Senate by the endorsement of this National Board, and I feel that this subject has been long enough before this Board for it to act upon it deliberately and with proper weight.

In regard to the additions referred to by Mr. McLAREN, as being desirable, I want to say that in looking through the bill I have been surprised to find some things omitted that I supposed would be in it. But it has been presented by the Committee merely as an initiatory measure, the Committee evidently having come to the conclusion that it would only recommend such legislation as it is thoroughly satisfied with as the result of its investigations of the demands and requirements of the country, and that further legislation should be left for consideration and recommendation by the commission, to be established by the bill as proposed, in the performance of its duties.

As has been stated, the bill simply comprises these points, providing means by which they can be carried out. That reasonable and just rates shall be established and maintained; that the public shall have the right of appeal to the commission for alleged wrongs done; that in case of failure in sustaining any complaint, the United States bears the expense incident to the decision of the matter. Its purpose is to give to the citizens of the United States an opportunity of remedying any evils to which they are subject, without requiring them to retain counsel, costing vast sums of

money to contend against counsel who are under annual pay from the railroad companies, and without requiring them to follow their cases from one court to another until they reach the court of last resort. Everybody knows that it is the habit of the railroad companies to resist complaints until parties are worn out, and everybody knows that a contest with a railroad company is a serious thing. My colleague from Milwaukee has referred to the contest we have been having in Wisconsin. Now, while I regret that that has been referred to, I will say in reference to it that I have been told by a number of my friends that they could not see why I should undertake to bear the obloquy and self-sacrifice involved in initiating and maintaining such a contest. But I felt that there were rights to be maintained, and I did it from a sense of duty. But a thousand will shrink from such a duty where one will perform it. This commission opens to every individual a prompt redress for every such wrong, and free of expense, the prosecution to be carried on by experienced persons appointed by the Government. This commission is simply a supplement, as it were, to the State Commissions, and it will be so in fact, if established. State Commissions have jurisdiction only over questions that originate and terminate within the territory of the respective States; that has been decided by the courts. It was decided in the recent case of *Joy vs. The Wabash and St. Louis Road*, by the Supreme Court of Illinois. That case related to transportation from a point in that State to the city of New York, and the State Court ruled that, because the party charged with that transportation resided in the State of Wisconsin, the Court had no jurisdiction of the case. The Company appealed to the Supreme Court of the United States two years ago, and the case is there yet. The Company refuses redress, and the complainant is obliged to await the long processes of the law and to bear the immense expense incident thereto in order to sustain a point which, perhaps, does not concern him more than to the extent of \$100. This commission is to do for the public at large what each individual needs to do for himself but cannot do.

I want to say in this connection, that in the States where commissions have been established, their workings have been satisfactory, not only to the public but to the railroads. I have had somewhat to do with the Illinois Commission, Milwaukee being so near the boundary of that State, and our business so interlaced with that of the State of Illinois. I have had a great deal to do

with the management of railroads in that State, and I believe there is not a railroad manager in that State today that would have the commission abolished if he could. And I want to say that the commission is regarded not only as the representative of the people, to defend and protect their rights, but also as the representative and protector of the railroads. Last summer the citizens of the State of Illinois made a demand upon the several railroad companies, in consequence of the low price of corn, for a further reduction in freight rates on that commodity, and that demand was proclaimed throughout the State. The newspapers took it up, and a tremendous clamor was made in relation to it, and a demand was made upon the commissioners, evidently with the expectation that by making a loud noise the object desired would at once be accomplished. The commissioners took up the matter calmly, laid it before the managers of the railroads, called a convention of railroad managers for the purpose of consultation, heard the railroad side of the case, took the whole subject under consideration afterwards privately, and finally made a report to the people that they were satisfied that the rates then charged were equitable and just, and that the railroad companies could not afford to make any reduction.

In this connection I want to quote a passage that appears in the report of the Illinois Commission for the year 1884, which shows the practical workings of the law in that State, and which, as I claim, would illustrate the practical working of an United States commission with reference to inter-state commerce :

“Thirteen years ago this Commission was established, and for many years struggled to obtain that recognition to which it was entitled by law ; and now, after the highest legal tribunals have affirmed the great powers conferred thereon, all the railroads doing business in the State comply with the requirements and decisions of the Commission on the various questions connected with the great problems of transportation. The inclination now apparent in railroad management to avoid prosecutions and to foster friendly relations with the public, demonstrates the wisdom and efficiency of the present system of State control of corporate interests.”

Mr. NELSON, of Chicago : This is one of the few subjects, Mr. Chairman and gentlemen, which I think I know something about. I have not taken up the time of this meeting to any great extent, and I had hoped and intended to avoid doing so today. But I am surprised to hear Mr. McLAREN and others say what they have

said, after the study we have given to this question in the National Board of Trade. I doubt very much if ever in the history of this Board in the future, we get another so able a report and so able an examination of this subject as we now have before us from this Committee. I really hope that we shall not admit to Congress, or to the country, that we have been studying this question as long as we have, and yet, today are not able to decide upon it. If that is the state of our minds today, how or what, or why we should ever hope or expect anything from Congressmen in the way of legislation, I cannot understand. We have been studying this question for years. We have had these State laws before us, and have been informed as to the workings of the State commissions; and still we seem inclined,—even the horny-handed Granger from Wisconsin, raising crops in Wall Street (laughter), still seems to be inclined to the opinion that the question as to this country and this Nation (with a big N) has not been settled. I supposed it was settled years ago, and I thoroughly believe it was. I move, Mr. Chairman, to lay the motion of Mr. McLAREN on the table.

The motion was seconded.

The PRESIDENT: The motion of Mr. NELSON is to lay the resolution of Mr. McLAREN on the table. That does not admit of debate. The Secretary will read the resolution.

The SECRETARY read the pending resolution.

The PRESIDENT: There can be no debate upon the motion to lay upon the table.

A division was called for, which resulted in twenty-one ayes, to eight noes. So the resolution was laid upon the table.

The question recurred upon the adoption of the report of the committee with the resolutions attached thereto. A division was demanded, which resulted in twenty-two ayes to eight noes.

The PRESIDENT: The resolution is agreed to by more than the requisite two-thirds majority.

Mr. How, of Chicago: At the meeting of the Board yesterday, Proposition No. VI upon the programme was passed. As that is a very important matter to us, I desire to move that it be taken up now, and I assure the gentlemen of the Board that it will occupy but little time.

By unanimous consent, Proposition VI upon the programme, in regard to foreign discrimination against American pork, was taken up for consideration.

Mr. HENRY, of New York: I move the adoption of the resolution of the Chicago Board of Trade.

Mr. CLOUGH, of Chicago: I regret very much that Mr. HATELY, who so very ably advocated this question before this Board last year, and upon whose recommendation it passed the resolution we are requested to consider again at this time, is absent. I believe you all understand the question in regard to pork, and so I will second the motion of the gentleman from New York, that the resolution be adopted.

The SECRETARY read the resolution, and it was adopted, as follows:

Resolved, That the National Board of Trade reaffirms its action of last year in regard to foreign discrimination against American pork, and urges the prompt passage of House Bill No. 3899, that provides for the inspection of live stock, hog products, and dressed beef for export, and that gives the President the power to prevent the importation of any food or drinks adulterated to an extent dangerous to the health or welfare of the people of the United States.

The PRESIDENT: It has been proposed that the vote of last evening upon the subject of the establishment of a Department of Commerce be reconsidered.

A motion to this effect was agreed to.

Mr. How, of Chicago: Mr. President, I have an amendment, which I propose to submit, to the resolution presented by Mr. SPERRY, of New Haven, last evening. Perhaps when he has heard it he will accept it. The amendment proposed is as follows:

And that the Board approve House Bill No. 3036, and recommend its adoption, with any amendments or enlargements of its scope that Congress may deem advisable.

The PRESIDENT: Mr. SPERRY's resolution will be read, to which Mr. How has proposed an amendment.

The SECRETARY read as follows:

Resolved, That the fullest intelligence is requisite to the preservation of the industries of the country, and that a Department of Commerce and Industries should be established by the Government to gather speedy information from all the great centres of the country touching all the great productions into which capital and labor enter.

Mr. HIGGINS: I have been very solicitous that a Department of Commerce should be established, and I feel that the duties to be performed by the head of such a department will be so important that it ought to be constituted a separate department. I will say, for the information of Mr. SPERRY, that this morning I had a conference with Mr. JAMES, of the House, who informs me that the two sub-committees, one of the Senate and the other of the House, one upon the subject of an Agricultural Department which it is proposed to change so as to be made one of the Executive Departments, and the other having under consideration a bill to establish a Department of Labor, are engaged in amicable conference and expect to consolidate those two departments in one, and that they will probably make manufactures a third element. He tells me that they are in process now of constructing that department, with every promise of success, and he agreed with me perfectly that the Department of Commerce should embrace within its jurisdiction so many of the objects which relate particularly to commerce that it would be very unwise to couple it with any other subject. For this reason I think Mr. SPERRY must rest satisfied with the interests which he wants particularly looked after with reference to labor and manufactures, for they will be covered by this department which it is proposed to connect with the Agricultural Department. The bill which our esteemed President has had an agency in creating, I understand, and I believe it is that to which reference is made, provides for such extended duties for the Department of Commerce that it would seem to me to become almost cumbrous if connected with these other very important matters which Mr. SPERRY desires to look after.

Mr. SPERRY: Last evening at the time of the passage of the resolution or substitute which I introduced, there were certainly more members in the room than are here now. I have no objection to

the proposed addition to my resolution. It does not change or alter in any way the tenor or scope of my resolution.

Mr. HENRY: The amendment is accepted, I understand.

Mr. SPERRY: I would like to ask Mr. HIGGINS if he supposes that the present or the succeeding Congress will establish two additional and separate executive departments. Is it probable that the Congress of the United States will create a Department of Commerce, and immediately thereafter erect another department? I doubt it very much. I do not conceive it possible. The last creation of a Ministerial Department I believe occurred under General JACKSON's administration, that of the Post Office.

A DELEGATE: The Department of the Interior has been created since.

Mr. SPERRY: I believe that is so, but that was many years ago, and I do not believe that Congress will now create a new department having jurisdiction over matters of commerce.

The Interior Department comprises the Land Office, the Patent Office, the Indian Office, the Pension Office, and I do not know how many more. Those bureaus all have jurisdiction over matters of great importance, and I do not believe that Congress would create a separate department for commerce or labor or agriculture. The name of commerce is not what will satisfy the people of today as the subject for which to establish a separate department. We have progressed somewhat, and are really under very different circumstances from those surrounding us when that resolution was passed. If the addition to my resolution is really desirable I have no objection to accepting it.

Mr. HIGGINS: Every one knows that the United States is a growing country, and what was sufficient in the time of ANDREW JACKSON is not sufficient now. The Government of the United States is becoming overloaded. There is not one of the departments today that has not more duties devolved upon it than it is capable of performing as it ought.

The Department of the Interior is loaded down with branches, as are all the other departments. The Interior Department undertakes to manage the public lands and numberless other items confided to it, a list of which was read over to me this morning by Mr. JAMES. He said it was simply ridiculous to think of so many

duties being devolved upon one head, and that everybody was of the opinion that it would be better to have some of them taken away and given to a new department. The Treasury is overloaded with light-houses, and pilotage and revenue, and geodetic surveys, and a thousand other things which really ought to be in some other department. The War Department is in a like condition. It seems there is a determination to try to take from some of these departments some of their duties and devolve them upon new departments, and I have been informed that Congress is likely to form a new department to be called the Department of Agriculture, Labor and Manufactures. That would not include all the items which Mr. SPERRY wishes to have covered by his resolution. If they form that department and include commerce with it, it will follow that commerce will not have the attention which we desire. We want such a department to be able to analyze the information which it will gather, and thus be able to report to Congress such legislation as will tend to revive and reestablish our commerce on the ocean, and in various other ways benefit the country at large. But that department can not do it if it has connected with it these other subjects.

Mr. HENRY: He has accepted it, and we are all in favor of it.

Mr. HIGGINS: I was going to say that this Board has again and again voted for this particular bill.

Mr. SPERRY: I beg pardon. I have been a member of this Board for many years, but I do not recollect of any particular bill being voted for, section by section, and page by page.

Mr. How: A bill was introduced in 1874, and was very thoroughly discussed at that time. The same bill was before us last year and again approved.

Mr. SPERRY: Let me ask, for information, does this resolution or the proposed amendment to my resolution, endorse a particular bill?

Mr. How: Yes, the bill, which is what we call the National Board of Trade bill, drawn up here, discussed again and again by the Board, and approved by it.

The PRESIDENT: The question will be upon adopting Mr. How's proposed amendment to the resolution. The Board has ordered

the resolution to be reconsidered, so that it is again before the Board, and is open to such amendment as it was when it was originally offered.

Mr. GANO, of Cincinnati: Do we propose to indorse anything that Congress may do hereafter? I am in favor of the bill that has been reported and considered here by the National Board of Trade, and on that we can perhaps vote intelligently.

Mr. HIGGINS: Move to strike out the objectionable words.

Mr. GANO: I move to strike out all the words of the proposed amendment after "and recommends its adoption."

Mr. How: I accept that.

The amendment was agreed to.

The PRESIDENT: The question recurs upon the resolution as amended.

The resolution as amended was unanimously adopted as follows:

Resolved, That the fullest intelligence is requisite to the preservation of a proper equilibrium between the great industries of the country, and that a Department of Commerce and Industry should be established by the Government to gather speedy information from the great centres of the country, touching all the various productions into which capital and labor enter, and that this Board approves House bill No. 3036, and recommends its adoption.

The SECRETARY read proposition XXIV, from the New York Board of Trade and Transportation, in regard to Postal Telegraph and Telephone, as follows:

Resolved, That we reaffirm the resolutions previously adopted by this Board favoring the establishment, by the United States Government, of a Postal Telegraph and Telephone, and we urge upon Congress the earliest favorable consideration of this question.

Also proposition XXV, from the Philadelphia Board of Trade, on the same subject, as follows:

Resolved, That the usefulness of the Post Office Department should be extended in the direction of Telegraphic Communication, and we urge upon Congress the earliest favorable consideration of this question.

Mr. THURBER, of New York: The Board has for five successive years favored adding to our Postal Department the most improved

means of conveying intelligence, and it is unnecessary now to trespass long upon the time of the Board to advocate the re-affirmance of its views. During these five years public opinion has made great progress in favor of a postal telegraph, and many persons who have not thought upon the subject, and had natural objections to adding to the functions of our Government, have become convinced that the time has come to make at least a beginning in this direction.

Electricity is the quickest, and therefore the most valuable means of conveying intelligence. The people of the United States paid for constructing the first line of telegraph for Prof. MORSE between Baltimore and Washington, thereby demonstrating the feasibility of using electricity for this purpose. It therefore has the equitable, as well as a legal right, to do this business. Indeed it is its duty to employ the most improved means for transmitting intelligence, but instead of adding it to our postal system it was allowed to pass into the hands of corporations, which have used it as a means to tax the people, rather than to give them its service at the lowest practicable cost. If it had developed with our postal system, experts estimate that we would now be sending messages at a cent a word throughout the length and breadth of the United States, as they are now doing in Great Britain. Does any one suppose if our present postal system had been operated for corporation profit rather than for public benefit, that postage would have been reduced from a shilling to two cents a letter, and that a postal card message could have been sent to the furthest confines of this great country for a penny? The increase in the use of the telegraph, under a system of law and uniform rates, would be enormous, and this is one reason why the Government should have its own system of electric communication, rather than contract the business out as proposed in the so-called "postal telegraph" scheme which was before the last Congress. It is a misnomer to call that scheme a postal telegraph; it should have been designated "A bill to furnish office rent free to a telegraph company, in consideration of its charging the public somewhat lower rates than other companies, but much more than it would cost the public if owned and operated by the postal department." Another important reason why the Post Office Department should operate the telegraphs is, that in a large majority of the post offices of the country the same employés that distribute

the mails could transact the telegraph business ; and the post office in most places is the most convenient place for a telegraph office. I will not trouble you by repeating the history of telegraph development in the United States, with its successive promises of permanent competition which only ended in successive combinations, with outrageous waterings of stock upon which the public are now paying dividends estimated at more than twenty-five per cent. upon the capital actually paid in. Just now we have a new promise of this kind, which must inevitably end as did those of the Atlantic and Pacific, the Mutual Union, the American Union, and others which have been swallowed up since this Board first placed itself on record in favor of a system of electric communication throughout the Postal Department. Just now the companies are throwing dust in the eyes of the public by making very low rates between a few through points, but still maintaining excessive rates on all local and non-competitive traffic. There are now several bills before Congress to provide a postal telegraph. Personally I believe that of Mr. EDMUNDS wisest, to have the postal department contract for the construction of its own new and improved system of wires, instead of buying old, obsolete and duplicated plant at the exorbitant prices which corporations always obtain under any system of arbitration, when dealing with the people ; but I have great confidence in the judgment and integrity of Mr. EDMUNDS and other representatives of the public interest in both houses of Congress, and as it has been the policy of this Board to enforce general principles, rather than advocate special measures, I am willing to accept the general resolution upon our programme, submitted by the Philadelphia Board of Trade, favoring the establishment by Government of a system of electric communication, to be operated by the postal department.

I cannot better close these remarks than by quoting from a letter written by ex-Senator WINDOM :

“The channels of thought and the channels of commerce thus owned and controlled by one man, or by a few men, what is to restrain corporate power, or to fix a limit to its exactions upon the people? What is then to hinder these men from depressing or inflating the value of all kinds of property to suit their caprice or avarice, and thereby gathering into their own coffers the wealth of the nation? Where is the limit to such a power as this? What shall be said of the spirit of a free people who will submit without a protest to be thus bound hand and foot !”

I think the resolution submitted by the Philadelphia Board of Trade is more to the point than that submitted by the New York Board of Trade and Transportation, and therefore I move the adoption of that.

The motion was seconded.

Mr. BRADBURY, of Indianapolis: I am opposed to the measure. I should like to ask Mr. THURBER if there is any other consideration than that of cheapness in the scheme of turning the telegraphs over to the Post Office Department.

Mr. THURBER: I believe we should get relief sooner in that way.

Mr. BUCHANAN, of Trenton: Some years ago my name appeared as having been signed to a report drawn by my friend Mr. THURBER, favoring the establishment of postal telegraphy. I acknowledge that I signed that report, but since then I have given further attention to the subject, and I may say considerable thought to it, and I am satisfied that the project is not one which the Government ought at present to adopt. When we reach that state in our civil service that has been reached in other countries where open postal telegraphy has been adopted, it may be safe for us to do so. When we reach a point where the postmasters of the country and their subordinates will not be subject to discharge at the whim of every incoming administration, and therefore their official tenure not be dependent upon their actions in their offices, it may be safe for us to adopt a postal telegraph scheme. Until then I want the matter kept in private hands. Let our open correspondence, as telegrams must be, pass through private hands, and not through the hands of officials striving to be kept in power.

Mr. SUPPLEE, of Baltimore: The idea of a parental Government is a hateful one to most American citizens. This is but the entering wedge which will open the way to the Government running the farms and workshops as well as the telegraphs of the country. The same gentlemen who advocate this scheme will, of course, advocate that railroad interests be controlled by Government, and where will that end? The Post Office Department has already a deficiency for last year. What would be shown in that line if the telegraphs were added to that department? Competition in telegraphy has already given you a rate of ten cents for two hundred

and fifty miles for ten words, which is an actual loss of four cents on every message that goes over the wires.

Mr. GANO, of Cincinnati: Five times that amount is charged by the company you represent at places where it has a monopoly.

Mr. SUPPLEE: We cannot discuss that; we are not experts. But Mr. THURBER will not ask the same price for one hundred cases of canned goods that he would for one package.

Mr. THURBER, of New York: I would like to ask the gentleman from Baltimore whether I, or any other merchant, would have to go to the legislature to procure a charter to do business. Are our public streets made for my business alone? Is there not a difference between purely private business and that which necessarily partakes, to a large degree, of a public character? And let me ask further, if we should not, in order to be consistent on his view of the case, relegate our present postal system into the hands of corporations?

Mr. SUPPLEE: The bankers and insurance companies stand on the same footing, and you have a right to take hold of their business under a charter procured from the State.

Mr. DOANE, of Cincinnati: I am somewhat interested in this question of a postal telegraph; so much so that I feel sometimes that I should like to vote with both hands and a good many times. Yet, when I come to think over the subject, there are serious difficulties that present themselves to my mind. We have discussed here today inter-state communication and the right of the National Government to regulate commerce. Carrying out that same idea I do not know where the Government would get the right to run telegraph lines over the State of Ohio if the State of Ohio said no. The State of Ohio is not navigable water, and does not come under National jurisdiction in that way.

Mr. THURBER: That was debated last winter by the best constitutional authorities in Congress.

Mr. DOANE: I do not know about that; I was not here.

Mr. THURBER: That question has been decided, and is in the past.

Mr. DOANE: I do not state anything about what has been done in Congress; I give you my own idea.

Passing from that to the question of cheapness of rates, I would like to hear some one who is informed on this question say how and why, and when and where, he is going to secure a better rate than he has now. My experience is that the telegraphic service of this country is the cheapest on the face of the globe.

DELEGATES: That is so; you are right.

MR. DOANE: I am an American citizen, and I say this: Whether it is JAY GOULD, or ROBERT GARRETT, or SAM BROWN, who has gone on and established lines and invested capital, and whether the stock is watered or not, I do not care so long as I am not taxed for it, and when I get messages at less than mail rate of transmission. Therefore, I say that when it has been demonstrated, as it has been, that we have a first rate service, for Congress to pass a law taking away the property of these telegraph people would be unjust. If we could have an honest postal telegraph system, I would say amen; I would vote for it; but I would not vote to take any man's property, or destroy his investment. I think this is perhaps a more serious matter than we think at first. If the Government can maintain a postal telegraph through the States of Illinois, Ohio, or Wisconsin, it can maintain a railroad; and if it can maintain a railroad, it can maintain a manufactory, say of buggies, like that of my friend Mr. EMERSON here. There is no end to it. The same principle that will establish one kind of business would authorize the establishment of a second, a third, and so on *ad infinitum*. I think we should be travelling on a dangerous road to do that. No vote of mine shall be given to any thing that will detract one farthing from the value of the property of my neighbor.

MR. THURBER: Would you put the Post Office back into private hands?

MR. DOANE: I don't know; it might be a great benefit.

MR. HENRY, of New York: An expert in this business has asserted that a message of ten words can be sent over the wires as cheaply as a letter can be sent by mail.

MR. THURBER: That did not take into consideration the delivery.

MR. HENRY: The gentleman says he does not care how much

water there is in stock. I do care. As a business man, for years I have helped to pay a dividend on five or six times the real value of stock in the Western Union Telegraph, for it is well known that the real value of its stock is only sixteen or seventeen millions, but it has been put up to eighty millions or more. The idea of paying a dollar for sending a message to Portland, Oregon, is absurd. The gentleman says that we cannot regulate it. We certainly can regulate it if we, the people, have some lines of our own.

Mr. COOK, of Cincinnati: I ask for the ayes and noes.

The PRESIDENT: It will first be requisite to decide whether the ayes and noes shall be ordered.

The ayes and noes were not ordered.

The PRESIDENT: The question is upon the resolution as submitted by Mr. THURBER; that is the proposition that comes from the Philadelphia Board of Trade.

Mr. HOLTON, of Milwaukee (to the PRESIDENT): In your judgment, can the Government of the United States apply the Post Office laws and the Constitutional rights to the construction of telegraphs?

The PRESIDENT: The Constitution of the United States gives to Congress the right to establish post offices and post roads, and under that provision the Government has occupied all the roads of the country nearly as post routes, and made, in various instances, contributions to their construction. I believe the contributions to the Pacific Railroad were mainly made upon the ground that the Government was thus establishing a post route. I believe also, that, without any very great extension of the principles upon which the Government has already acted, it would have a right to adopt a telegraph line as a post route.

Mr. HOLTON: In your judgment is the information or knowledge derived through a telegraph of that nature of public information, or of the nature of education and privileges of knowledge which the post office proposes to give to the people of the country?

The PRESIDENT: I think the post office arrangements contribute more to the protection and secrecy of correspondence than the telegraph would.

Mr. HOLTON: But the telegraph is a means of distributing information and knowledge among the people.

The PRESIDENT: Yes; it gives rapid means of information, and it gives generally correct information, and at present it is giving comparatively cheap information. The Government of Great Britain has taken possession of the telegraph lines, as you know, and is working them under Government authority, and is gradually making such working a success and is cheapening the cost of telegraphic messages. All human contrivances are, of course, open to those objections which dishonesty or fraud may bring with the taking up of such projects by Government. But I suppose that, upon a balancing of the whole question, integrity prevails over fraud, and that the great objects of correspondence, rapidity, perfect efficiency, etc., would be better secured by a telegraph line than by the ordinary operation of carrying letters over a post road.

Mr. CORBETT, of Portland (Ore.): I would like to inquire, Mr. President, if, in your judgment, the sender of a telegram could write one, present it to the post office, and ask that it be transmitted by telegraph to a party in another part of the country, and then be transmitted by post to the person to whom directed, and distributed in the same manner as by the carriers under the present law?

The PRESIDENT: I do not quite understand the question. I believe the practice at telegraph offices is to receive a message, to transcribe it and put it in an envelope, and to deliver it by a special messenger to the person to whom it is addressed. If I understand at all the operations of a postal system by the Government, the message would go the post office in which the telegraph operator was located, where it would be transcribed in the same way and carried out. In places entitled to free delivery it would be delivered by the post office carriers.

Mr. CORBETT: My idea was substantially that it would be carrying out the views of a postal system to transmit it in that way, or any other way.

Mr. DOANE, of Cincinnati: Allusion has been made to the telegraph system of Great Britain. I would like to inquire if Great Britain acquired her telegraphic system by establishing a new sys-

tem of lines throughout its territory, or by absorption of other lines?

The PRESIDENT: I believe that originally she obtained control of the lines by purchase. The additional facilities that have been afforded have all been at the expense of the Government.

Mr. DOANE: If that were the scope of this resolution it would meet my most hearty approval. But, sir, in Congress last session there were men who advocated the establishment by the Government of its own independent lines, which would break down and destroy capital invested in other lines. I say there is where we should call a halt. If we propose to indorse a resolution to do that, I say no. If we propose to follow in the footsteps of Great Britain, I am with you, heart and soul. I am here, not as the advocate of any telegraph company, but as the advocate of justice and right.

Mr. PARSONS, of Detroit: Mr. Chairman, I wish to say that the telegraph service in England, Switzerland and Italy, is evidently better than ours. Delivery is made instantly. I bought a bill of goods at five o'clock, and the bill was delivered to me through the post office, in London, in an hour and a half afterwards. Now, sir, this resolution of the Philadelphia Board of Trade is thoroughly in accord with the sentiments of the people of Michigan, and especially with the sentiments of the Detroit Board of Trade, and the people of that city. It is a movement in the right direction. We have been imposed upon for a long period of years, and paid enormous sums of money to fill the purses of these wealthy gentlemen who own these telegraphic monopolies. I say, let us have this matter put in the hands of the Government, and who knows but we shall very soon have just as cheap telegraphic communication as we now have postal service?

Mr. THURBER: I would like to answer the question a little more fully, because Mr. DOANE has inquired about the English system. They have there a system of telegraph stamps; you buy these stamps and affix them to the message, the same as our postage stamps here; you then deposit your message in a post office and it is sent to its designation by wire and delivered.

Mr. DOANE: I was not referring to that; I merely wished to know how England acquired possession of the telegraph lines.

Mr. THURBER: She bought existing lines. There might be objections on that point; but this resolution of the Philadelphia Board of Trade does not make any manifestation as to the manner of acquiring lines. I might think one way, and you another, in regard to that; there are two or three bills now pending in Congress in regard to this subject. The resolution of the Philadelphia Board of Trade says:

Resolved, That the usefulness of the Post Office Department should be extended in the direction of telegraphic communication, and we urge upon Congress the earliest favorable consideration of this question.

We all know how much electricity is entering into our daily life and business; with a low and uniform rate for messages, it would unquestionably do so to a much greater extent. The Government has the necessary office facilities, in a great many instances, for doing this business. I think we should find that it would operate here very much as it has done in England; there telegraphic facilities were extended to a great number of places where, under private management, it could not be afforded; but there would be sufficient business in this country to pay the expense of extending the lines to such places if there was no extra rent to pay, and the operator could be both post office clerk and telegraph clerk. In England, under the Government system, it is estimated that the number of wires has been doubled.

Mr. DOANE: State, if you please, for the benefit of this Board, what the rates are in Great Britain for five hundred and a thousand miles.

Mr. THURBER: They have no distances a thousand miles there, but they have five hundred, and the rate for that distance is sixpence for twelve words, including the address and signature; that is a half penny a word, or a cent a word.

Mr. SUPPLEE, of Baltimore: The rate to Chicago is fifteen cents, and that is a thousand miles.

Mr. THURBER: In Great Britain you can telegraph to any office at this time for sixpence for twelve words; it was in the beginning a shilling, and that was about half what the charge was before the Government took possession.

Mr. DOANE: Will Mr. THURBER please state what the rate is in Germany? I know something about that.

Mr. THURBER: I am not quite so familiar with Germany as I am with Great Britain, because I have not had the same opportunity.

Mr. DOANE: Then be so kind as to name the rates in other countries.

Mr. THURBER: I know that the rates in France are something like a franc a message, but their system in many respects is vastly superior to ours, aside from this question of general cheapness. I acknowledge that on our great lines they are now making very low rates. The present competition has stimulated the present low rates by the Western Union, but that is merely for the purpose of throwing people off the track, at the centres of legislation, etc. I fear that they have only given passes to those legislators that the Company has thought worthy of them. That pass system is, of course, something that ought to be abolished. But my idea is that they are lowering the rates at these points for the purpose of throwing dust in the eyes of the public, and endeavoring to convince the public that they are giving a very low rate, when the fact is, that if you undertake to send a local telegram, you will be charged double or treble.

Mr. DOANE: I said, in the first place, that I was in favor of some action being taken. I do not like asking Congress for we do not know what. I think we ought to place ourselves on the record fairly and squarely. I think Congress has enough upon its hands now, and we all know that there are too many officers in this country. If Congress were to meet only once in five years, it would be better. There is too much legislation. Heaven knows it is corrupt and wicked enough, but when you multiply the officers you multiply the scoundrels. I am sorry to say we have a lot of them in Ohio.

Not one word has been said here today in regard to the comparative distances in France, Germany or Great Britain, on the one hand, and those in this country, on the other. Our telegraph lines cover a thousand miles where their's cover a hundred, and the rate for a thousand miles on that basis is often no more than they pay for service over a hundred miles. I have been through Germany, and France, and Italy, and England and Ireland, and I know something about it. And there are many here who have used it across the ocean more than I have. When you undertake to

make a general recommendation that may — I do not say that will — strike down existing interests, I say NO.

Mr. JORDAN, of Indianapolis: It is the sentiment, I believe, of our Board of Trade, that the Government should extend some provision to the postal facilities of the country, and yet we may all see the difficulty of the practical working of that system which Mr. THURBER, of New York, has referred to. If there are complaints of the exposure of information passing through the hands of the telegraphic companies, under private management, how much greater is the liability to such exposure at the hands of Government officials? When we consider that probably over one-half of the offices which, under Government supervision, would be entitled to postal facilities of this kind, are in the hands of operators who would be the business men of the little towns, and each one of whom would probably be a competitor of one, two or three others in the same line of trade, and who, having first possession of all the information, would be able to use it to their detriment and his own advantage, we can see some of the difficulties of that condition of things. Under present circumstances, we all know that the Western Union operators, as a rule, are also the railroad agents in the small places, and they have their time almost constantly employed — in many instances fully employed — in railroad duties, looking after passengers, express and freight business. If the telegraphic business of the country were relegated to the Post Office Department, in these same towns you would find the operator in a store or business place, coming directly in competition with other men. The number of these small offices would probably constitute about one-half of all the offices of the country. We can see at once the great disadvantage of these operators being informed, in advance, of the contents of messages.

Mr. THURBER: Why do they not meet with that difficulty in other countries where the telegraphs are, without exception, under governmental control?

Mr. JORDAN: I do not know but they have found that same difficulty, but I have heard no mention of it.

Mr. EMERSON, of Cincinnati: We find in the States of New York, Ohio and Kentucky, that the people in a portion of those States have in the last two years given some expression of opinion

in regard to putting work that could be done by private individuals into the hands of contractors, to be performed under the contract system of prison labor. I think we should be very careful in this Republic not to do anything that would tend in the direction of a monarchy. In this country, the largest latitude for individual enterprise in business is what ought to be allowed, if we are democratic, if we believe truly in a republican form of government; and we should be very cautious in attaching to the Government anything that would take from the individual citizen his rights and privileges. We have believed that protection in a certain way was beneficial. We have assisted in building railroads across the continent, in order that our country might be developed, and that we might all profit thereby. But these railroads have gone back to, or have remained in, the hands of the projectors, or of the owners of the bonds. And the subsidies we have given to our steamships or to our commerce upon the waters, have not interfered with the ownership or the management of the vessels, or the marine, in any form or shape. I shall, therefore, vote most decidedly at the present time against the Government having anything to do with the telegraph system. I believe that the enterprise, the ability, the energy of our American people, and their honesty, will give the best service possible for the least money.

Mr. McLAREN, of Milwaukee: The opinion of the civilized world, today, is that all existing means of rapid communication should be placed in charge of the Government. The experience of the civilized world has shown that this is wise. I think that the same arguments that have been presented here today against the Government taking possession of telegraphic communication, might very properly be used with a great deal of force in the direction of taking the post office from the Government and putting it into private hands.

Mr. EMERSON: The means of communicating between different nations must be the subject of treaty, and so the post office must be in the hands of the Government.

Mr. McLAREN: I have been in Great Britain and on the Continent several times since telegraphic communication was taken in charge by the Governments there, and my experience has been somewhat different from that of my friend from Cincinnati. I have

never found the first citizen of any country in which that has been done to express anything but a belief in it. I have never found that it has produced anything but cheapness of rates and accommodation of the public. I know that is the case in Great Britain. And I beg to take issue with my friend when he says telegraphing is cheaper here than it is in Great Britain, distance included. One little fact: The rate from here to Chicago is fifteen cents. I had occasion to send a night message to Milwaukee, eighty-five miles beyond Chicago. What did I pay? Eighty cents for nine words. I submit that that rate does not compare very well with the fifteen-cent rate to Chicago. Another gentleman sent a similar message to Detroit, and he paid twenty-five cents for it. I do not think we are getting the fairness and justice we ought to get in this matter. I know something about telegraphing; I know the cost of the performance of the service, the cost of building lines, and the cost of operating them. Today, telegraphing is being done between Milwaukee and Chicago on lines owned and operated by an association of private citizens, to save themselves from extortion in telegraphic rates by the telegraph companies. I know that the actual cost of sending a ten-word message from Milwaukee to Chicago is absolutely only two cents, and the distance is eighty-five miles. I know that calculations have been carefully made by gentlemen interested in the enterprise, as to the cost of sending similar intelligence from Milwaukee to New York. I am stating facts that I know all about, and I can present the figures.

Mr. PARSONS, of Detroit: And a year ago a good round dividend was paid.

Mr. McLAREN: The cost of a message is five cents to the public, which pays expenses and leaves something for profit. The Company pays seven per cent. dividends, and the surplus is divided among the parties who have used the lines, in proportion to their business. The average dividend is one-half of the cost of the messages sent. They send an average of six or eight hundred messages a day during business hours. The five cents a message includes cost of delivery. But I should state, to make it fair, that the cost of delivery is very light, because they do not deliver all through the city, only within certain limits.

Mr. How, of Chicago: I went to the Western Union office this morning, in this city, to send a message to my home. I wrote ten

words for a day dispatch, and passed it in to the cashier, with twenty-five cents. He said, "The Chicago rate is fifty cents." Said I, "Why is it more from Washington to Chicago than it is from Chicago to Washington?" He said, "I don't know about that, but that is the rate from here." Then he said, "Go down to the Mutual Union office, and I think you will get a lower rate there; it is run by the same Company." I went to the Mutual Union office, and I said, "What is your rate to Chicago?" The reply was, "Twenty cents for ten words."

Mr. McLAREN: I was going to add, that the gentlemen interested in that telegraphic enterprise between Chicago and Milwaukee have carefully estimated the additional cost of sending messages from Chicago to New York. They have found that that additional cost, for nine times the distance between Milwaukee and Chicago, would be about double; that is, that instead of costing two cents a message, the cost would be four cents.

The Western Union system has not only swallowed up and taken possession of almost every telegraph line that has been set up in opposition, at an immense increase of its nominal capital, but it has taken charge of almost every railroad telegraph line in the country, under an iron-clad contract which I have seen and read many a time, prohibiting the railroad companies absolutely from allowing any other telegraph line where they have the right of way. And when we built our little line from Chicago to Milwaukee for our own purposes, we were obliged to go on the public highway or into farms along the road and buy the privilege of setting up our lines. We could not, if we had offered a thousand dollars a pole, have secured the privilege of setting up a pole on the right of way of any railroad.

Mr. CORBETT, of Portland (Ore.): Mr. President, as some question of rates has arisen, I wish to say that the rate between New York and Portland is one dollar for a message of ten words, while from San Francisco, about seven hundred and fifty miles from Portland, it is seventy-five cents. That is quite different from the fifteen-cent rate between New York and Chicago. There is, therefore, no uniformity. We have our letters sent to us from any part of the country for two cents, the same as the people of the other portions of the country. The advantages of an uniform telegraph system would be uniformity of rates and the great assist-

ance to the commercial community. It is very expensive to telegraph upon business from the Pacific coast to New York or to any intermediate points. The rate from the Pacific coast to Chicago is about the same, I think, as it is to New York; I think there is no discrimination between San Francisco and Chicago, Cincinnati and other large intermediate cities. It seems to me that the efficiency of the postal system of the country has been well demonstrated. It seems to me that the Government exercises more vigilance and goes to greater expense to arrest those who interfere with its mails than any private corporation could or would do. I have no doubt that under the Government system, knowing it to be for the interest of both political parties, such laws would be enacted, and such precautions taken (as to oath of operators and secrecy), as would secure great efficiency. I have no doubt that such regulations would be established as would make the service satisfactory to all parties concerned.

Mr. COOK, of Cincinnati: Would Mr. CORBETT have a uniform rate for telegraphing all over the United States?

Mr. CORBETT: I think it would be a good policy.

Mr. COOK: Would not that be taxing the people and the capital of the whole country for the benefit of out-of-the-way places where a telegraph would not be self-sustaining?

Mr. CORBETT: No more so than is involved in the postal system now. Every reduction in the rates of postage has been followed by a deficit at first, but the country has grown up to it in every instance and made good the deficit.

Mr. THURBER, of New York: I want to call the attention of the Board to the fact that this resolution simply affirms the desirability of extending the usefulness of electricity in connection with our postal department. It does not say that we shall not take lines nor that we shall. It is simply an affirmation of the belief that we should employ electricity as the most improved means of conveying intelligence in connection with our postal system.

The question being called for and put by the PRESIDENT, there were, upon a division, nineteen ayes and twelve noes upon the adoption of the resolution XXV on the programme.

The PRESIDENT: The resolution is lost by one vote, under our rule which requires a two-thirds vote to carry a proposition.

The SECRETARY read Proposition XXVII, from the New York Board of Trade and Transportation, in relation to appropriation bills, as follows :

Resolved, That the measure now pending to amend the Constitution of the United States, so as to allow the President to veto separate items in an annual appropriation bill, is one which should be adopted.

Mr. GANO, of Cincinnati, moved the adoption of the resolution, and it was agreed to, *nem con.*

The SECRETARY read Proposition XXVIII, from the New York Board of Trade and Transportation, in reference to Certification of Invoices by United States Consuls, as follows:

Whereas, Importers of foreign merchandise are compelled by law to have their invoices certified as being correct by the United States Consuls at the port of shipment, involving a considerable expense, and oftentimes vexatious delay; and,

Whereas, The said certificates are not accepted by the Government as evidence of the correctness of invoices, and in consequence thereof are useless to both importers and Government; therefore,

Resolved, That said certification of invoices should be abolished.

The proposition was postponed for consideration at the next annual meeting.

The SECRETARY read proposition XXIX, from the Chicago Board of Trade, in relation to the Presidential Succession, as follows :

Whereas, Recent events have again challenged the attention of the country, as to the insufficiency of our present laws touching the Presidential succession in case of death or disability; therefore

Resolved, That the National Board of Trade again urges upon the National Congress of the United States the immediate necessity for the enactment of such laws as will make proper legal provision for succession to the Presidential office under any and all possible emergencies.

This was withdrawn, the ground having been covered by recent legislation.

The last proposition on the programme related to Presidential Elections:

Resolved, That we heartily endorse the recommendation of ex-President ARTHUR that Congress should, without delay, provide a definite method of settling Electoral disputes like that which occurred in 1876, and a repetition of which at one time seemed possible in the last Presidential contest.

It was unanimously agreed to.

Mr. HIGGINS, of New York: A communication has been handed to me from the Maritime Association of the Port of New York, in favor of such appropriations by Congress as will enable the Signal Service to maintain its important operations and to enlarge their scope.

Mr. HENRY: I move that the subject be referred to the Executive Council.

The motion was agreed to.

Mr. HENRY: I am requested to move that a committee of three be appointed by the Chair to present the Traveller's Bill to the proper committees of Congress.

The motion was agreed to, and the President appointed Mr. HENRY, of New York, Mr. SUPPLEE, of Baltimore, and Mr. BUCHANAN, of Trenton, as such committee.

The PRESIDENT: So far as the Chair is informed, we have now completed our prescribed work.

On motion of Mr. THURBER, of New York, the Executive Council were instructed to consider the expediency of having a permanent representative of the National Board of Trade at Washington, to be ready at any time to appear before Congressional Committees and to further the recommendations of the Board made at its annual meetings.

Mr. HOLTON, of Milwaukee: I move that the thanks of this body be tendered to the press of this and other cities for their full reports. I also move that the thanks of this body be given to the

proprietor of this house (WILLARD's Hotel) for his very great courtesy to the Board. After the passage of these resolutions I desire to move, if I can do so without surrendering the floor, the adoption of one other resolution.

The PRESIDENT: The first question will be upon the adoption of the resolution thanking the press for the reports of our proceedings.

The motion was unanimously agreed to.

The PRESIDENT: The next question is upon the resolution thanking the proprietor of WILLARD's Hotel for his courtesies to us, including the free use of this room for our meetings.

The motion was agreed to unanimously.

Mr. HOLTON: I now move that the thanks of this body be extended to our President and Secretary for their long, patient, and most able service here in this Board, by which we have been directed, instructed and guided, in all our deliberations, with so much propriety and so much decorum.

Mr. HENRY, of New York: I second that motion, and ask Mr. HOLTON to put the question.

Mr. HOLTON put the question to the Board, and it was adopted unanimously.

Mr. HOLTON: I beg to express to you, Mr. President, and to you, Mr. Secretary, the thanks of this Board, which have been most cordially and unanimously tendered to you.

The PRESIDENT: It is very difficult, gentlemen, after such an association as we have had here—to say nothing of previous associations—to say the word farewell. But that is always an inevitable word. It ends the ordinary intercourse of daily life. It ends each revolving year our intercourse with some friend or relative; but the final word farewell very seldom escapes from the lips of one who is about to leave this world forever. I do not find words adequate to express my thanks to you, my dear fellow-members, for the many courtesies and evidences of confidence that I have received at your hands. For eighteen years you have honored me with elections to the office of President of this Board. In all my intercourse with the delegates, during those eighteen years, who

have assembled to deliberate upon the great interests of this country, no shadow has ever come across my path, no interruption has occurred to the personal friendships which have been formed, no dissent has been made from any opinions that I have been obliged to express, or any decision that it has been my duty to make. Everything connected with my intercourse with this Board has been one uninterrupted confidence and success. Whether I shall ever be permitted to be with you again is a mystery locked up in the destinies of Providence, but I sincerely hope that my life may be spared, as it has hitherto been spared, to come into your presence again, to take your offered hands, and to receive your congratulations upon the condition of my health. In short, I appreciate most heartily everything which the most cordial friendship and solicitude for my welfare brings from your swelling hearts. I cannot add words to express my feelings of affection towards you all, but, in the hope that we may all be spared to meet again, I bid you farewell.

Mr. HOLTON: I move that the National Board of Trade adjourn *sine die*.

The motion was agreed to.

Thereupon, at 6.50 P. M., the National Board of Trade adjourned *sine die*.

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